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ABSTRACT

Developed by teachers for use in secondary reading classes, this individualized unit of study will teach students how to complete an income tax return. Specifically the students will learn to identify the purpose of a W-4 form, calculate their yearly withholding taxes, and complete a 1041 tax form. It is recommended that the student use four to six hours of instructional time to complete the unit. The Teacher's Guide contains instructions for implementing the unit, pre- and posttests, and copies of all student worksheets. The student booklet contains brief background readings and step-by-step directions which the student must follow to complete the unit. Using the background information provided in the student booklet, students are asked to complete worksheets. Students solve story problems, calculate the social security tax of several sample salaries, analyze and use tax tables, and fill in a sample W-4 form. Most of the activities are self-contained. However, to complete one of the activities, students will need copies of the booklet "Understanding Taxes" which is available free from the IRS. After reading this booklet, students are asked to list their deductions and write a paragraph telling how that answer was obtained. For another activity, teachers must purchase a film. (Author/RM)

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Teacher's Guide

Something Special

HOW TO SAVE YOURSELF

$$$$$$$$$

Learn how to prepare your own tax return in this simple step-by-step method.

Just turn the page!

Written by

Claudia Minton

for
Project COST
ESEA Title IV
Kansas State Dept. of Education
USD 449
Easton, KS 66020

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PACKAGE RESUME FORM

Publication Date December, 1978 **Level/Subject** Secondary Reading

Title How to Save $13 or More a Year

Author Claudia Minton

Abstract This capsule has been developed for secondary reading students, but the content is relevant to all secondary students. It provides practical application experiences of the concepts to be learned. Concepts covered include: completing the forms filled out during the initial days of employment, interpreting a withholding statement, and completing the form to report income for tax purposes.

It is recommended that the student use four to six hours of instructional time to complete the capsule.

Dear Teacher:

On page 9 of the student guide the directions indicate for activity 2 to listen to the tape entitled "Exemptions". At this time, the author is unable to locate her original script of this tape for us to duplicate and include in your teacher's guide. We are suggesting that you simply refer the student to reread page 8 of the student capsule for information on determining his/her correct number of exemptions.

We apologize for this inconvenience.

Project COST

OBJECTIVES

Upon completion of this capsule the student will be able to:

* 1. identify the purpose of a W-4 form.
* 2. calculate his/her yearly withholding taxes.
* 3. complete a 1041 tax form.

Instructions for going through capsule:

Slow students will probably take more than six hours to complete this capsule. I would encourage the teachers to have slow students do each activity in each section. Faster students could probably finish the capsule in three to four hours. I would encourage teachers to let fast students perform two to three activities in each section. If you do not have the booklet Understanding Taxes for the current year, I would recommend that you get this booklet before you start your students on the capsule. These are free from IRS.

The film, "Now You See It, Now You Don't" is excellent. The bibliography at the end of this guide gives you the address for ordering this teaching aid.

Announcing Something Special
Pre-test

Name Key Date _____

Teacher _____ Grade _____

Circle the letter of the correct answer in the questions below.

1. Which of the following is not a purpose for which taxes are collected?

   a. paying for national defense
   b. providing assistance to foreign countries
   (c.) maintaining religious institutions
   d. providing services to us as consumers

2. The Federal Insurance Contributions Act (FICA) results in a tax that is deducted from your pay check. The tax is used to:

   a. pay for the cost of collecting and administering federal tax programs.
   (b.) pay social security benefits.
   c. make sure that you pay all of the federal taxes you owe.
   d. pay your employer for the costs involved in withholding taxes from your pay check.

3. A W-4 form:

   a. indicates the amount of tax you must pay.
   (b.) tells your employer how much money to withhold from your paycheck.
   c. indicates how much tax you have paid during the past year.
   d. is used to indicate the total wages you have earned during a one year period.

4. What information is not needed in order to complete a W-4 form?

   a. name
   b. address
   c. marital status
   (d.) total wages earned during the year

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Announcing Something Special Pre-test (cont.)

5. If social security tax is figured at 6.13%, how much would be deducted from wages of $286.38?

   a. $175.38
   (b.) $17.56
   c. $1.75
   d. $6.13

6. If the social security tax is figured at 6.13%, how much would be deducted from wages of $195?

   a. $119.53
   b. $119.54
   c. $1.95
   (d.) $11.96

7. Use the W-2 statement below to complete a 1040A tax return for Carol Smith. Carol is single. She works as a multilith operator. She has no dependents. Her only income for the year was what she earned at her job. Use this information and the tax table on the next page to complete a 1040A tax return.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY
00000		Sample	

3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE	DEPARTMENT	4 SUB-TOTAL	CORRECTION	VOID	
Dimensions Printing Co. 4003 State Ave. Berkely, MI		☐	☐	X	
		7 EMPLOYER'S FEDERAL I.D. NUMBER: 000			

10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
000-00-0000	740	7480	458	7480

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
Carol L. Smith	no	no	none

19 EMPLOYEE'S ADDRESS AND ZIP CODE	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
Route 3, Box 475 Peavine, RI 00032	none	none	RI
	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
	none	none	Peavine

WAGE and TAX STATEMENT 1973	COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CHP	FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION
					none

FORM W-2 [C.I. 22-1632268] Department of the Treasury—Internal Revenue Service

Form **1040A** Department of the Treasury Internal Revenue Service
U.S. Individual Income Tax Return **1979**

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Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both)	Last name	Your social security number
Carol L.	Smith	000 00 0000
Present home address (Number and street, including apartment number, or rural route)	For Privacy Act Notice, see page 9 of Instructions.	Spouse's social security no.
Route 3 Box 475		
City, town or post office, State and ZIP code	Occupation: Yours ▶ multilith operator	
Peavine, RI 00032	Spouse's ▶	

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? X Yes — No
If joint return, does your spouse want $1 to go to this fund? Yes — No
Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status Check Only One Box

1 [X] Single
2 [ ] Married filing joint return (even if only one had income)
3 [ ] Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶
4 [ ] Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of Instructions.

Exemptions Always check the "Yourself" box. Check other boxes if they apply.

5a [X] Yourself [ ] 65 or over [ ] Blind
b [ ] Spouse [ ] 65 or over [ ] Blind
Enter number of boxes checked on 5a and b ▶ 1

c First names of your dependent children who lived with you ▶
Enter number of children listed ▶

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

6 Total number of exemptions claimed . . . . . Add numbers entered in boxes above ▶ 1

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	7480 00
8	Interest income (see page 4 of Instructions)	8	0 —
9a	Dividends ... 9b Less exclusion ... Balance ▶ (See pages 4 and 11 of Instructions)	9c	0 —
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	7480 00
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	0 —
	IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.		
b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions)	11b	740 00
c	Earned income credit (from page 2 of Instructions)	11c	
12	Total (add lines 11a, b, and c)	12	740 00
13	Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	688 00
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU ▶	14	52 00
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign

▷ Signature 3-29-80
Your signature Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see instructions)

Paid preparer's address (or employer's name, address, and identifying number)

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Activity 1

The student is asked to view the filmstrip, "Now You See It, Now You Don't". The student is then to list two or three deductions from his/her paycheck. Possible answers are FICA, federal withholding tax, state withholding tax, insurance. The student is then asked to write one ot two sentences explaining these deductions.

Activity 2

The student is told to listen to the tape, "Exemptions". This is a teacher-made tape. A script for this tape is included on pages _____ of this guide. The student is then asked to list his/her exemptions and tell how that number was arrived at.

Activity 3

In order for students to complete this activity, you will need to have copies of "Understanding Taxes". This publication is available free from IRS. See bibliography for details. The student is asked to list his/her deductions and to write a paragraph telling how that answer was obtained.

Activity 4, Worksheet #1

key

Figure Your Total Withholding Allowances Below

(a) Allowance(s) for exemption(s)—Enter 1 for each personal exemption you can claim on your Federal income tax return* . . . 1

(b) Special withholding allowance—Enter 1 if single with 1 employer, or married with 1 employer and spouse not employed** . . 1

(c) Allowance(s) for credit(s) and/or deduction(s)—Enter number from line (k) on other side** 2

(d) Total (add lines (a) through (c) above)—Enter here and on line 1, Form W-4, above 2

*If you are in doubt as to whom you may claim as a dependent, see the instructions that came with your last Federal income tax return or call your local Internal Revenue Service office.

**This allowance is used solely for purposes of figuring your withholding tax, and cannot be claimed when you file your tax return.

Form W-4 (Rev. May 1977)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate
(Use for Wages Paid After May 31, 1977)

This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Type or print your full name: STUDENT'S NAME

Your social security number: STUDENT'S SOC. SEC. NUMBER

Home address (number and street or rural route): STUDENT'S HOME ADDRESS

City or town, State, and ZIP code

Marital Status: [X] Single [ ] Married [ ] Married, but withhold at higher Single rate

Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming 2

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $

3 I claim exemption from withholding (see instructions). Enter "Exempt" . . . . . exempt

Under the penalties of perjury, I certify that the number of withholding exemptions and allowances claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I incurred no liability for Federal income tax for last year and that I anticipate that I will incur no liability for Federal income tax for this year.

Signature ▶ Signature Date ▶ date 19

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Activity 5 & Activity 6

You will need to have a folder available to students which contains blank W-4 forms. A key to these activities is found below. If the student does activity 5 incorrectly, he/she is to do activity 6.

Form **W-4**
(Rev. May 1977)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

(Use for Wages Paid After May 31, 1977)

This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Type or print your full name: Dirk Rambo

Your social security number: 000-00-0000

Home address (number and street or rural route): 001 Rocky Road

City or town, State, and ZIP code: Anywhere, KS 00400

Marital Status

☒ Single ☐ Married

☐ Married, but withhold at higher Single rate

Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming 2

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $

3 I claim exemption from withholding (see instructions). Enter "Exempt" . . . . .

Under the penalties of perjury, I certify that the number of withholding exemptions and allowances claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I incurred no liability for Federal income tax for last year and that I anticipate that I will incur no liability for Federal income tax for this year.

Signature ▶ _____ Date ▶ _____, 19____

Activity 7

Activity 7 is Worksheet #2. A copy of the key is found on page 10 of this guide.

Activity 8

Activity 8 is Worksheet #3. A key to this activity is found on page 11 of this guide.

Activity 9

Activity 9 is Worksheet #4. It is to be done if the student does poorly on Activity 8. A key to Worksheet #4 is found on page 12 of this guide.

Activity 10

Activity 10 is Worksheet #5. A copy of the key is found on page 13 of this guide.

Activity 11

Activity 11 is Worksheet #6. A copy of the key to this activity is found on page 14 of this guide.

Activity 12

You will need to have 1040A forms available to your students. You may wish to have these in a folder, so that students may get them as they are needed. The key to Activity 12 is found on page 15 of this guide.

Activity 13

The student capsule indicates that students are to do this activity if they had trouble with Activity 12. You may wish to require this activity if you feel that students need more practice in completing the 1040A form. A copy of the key is found on page 16 of this guide.

USING THE POST-TEST

Students should be ready at this point for the post-test. If, however, you have students that you feel may need additional practice, you may wish to give them that practice before the post-test. "Understanding Taxes" will provide some problems for additional practice. A post-test key may be found on pages 17-19 of this guide.

NAME Key DATE _____

WORKSHEET #2

USE THE TAX TABLES ON PAGE 12 OF THE CAPSULE TO COMPLETE THIS WORKSHEET.

(*Pretend that Dirk makes $235 a month)

1. If he claims one exemption, how much will be deducted from his monthly check?

$18.50

2. How much will be deducted if he claims no exemptions?

$29.70

3. If Dirk claims two exemptions how much will be deducted from each month's paycheck?

$8.80

4. Dirk has worked at Clean-It-Right Laundry for six months. Figure his yearly withholdings tax based on the six months he worked.

CLUE: 6 (for six months) X monthly deductions = tax withheld

(1) $112.80 (0) $178.20 (2) $52.80

NAME key DATE _____

WORKSHEET #3

1. After reading page 14 in the capsule, write 2 or 3 sentences telling how to figure a person's social security tax.

6.13% x total pay per period

or .0613 x total pay per period

2. Assume Dirk earns $54.00 before taxes in his first pay period. Figure his social security tax for this $54.00. Be sure to show your work.

answer: $3.32

3. Assume Dirk earns $125.35 for his first month's work. Figure this month's social security on this amount. Now assume that Dirk made this same amount ($125.35) each month for the seven months he worked at Clean-It-Right Laundry in 1978. Figure what his total social security tax for the year would be; Dirk has worked on no other jobs in 1978.

This month's social security: $7.69

Total social security tax: $53.79

4. Using the information in #3, fill in the sample pay statement below with Dirk's monthly salary and FICA listed in the correct spaces.

REGULAR SALARY	OVERTIME	EXTRA PAY	TOTAL SALARY	TOTAL DEDUCTIONS	NET EARNINGS

	SALARY	FED. W/H TAX	STATE TAX	F.I.C.A.	U.C.-D.I.	RETIREMENT (RETIREMENT TAX)	
	125.35			7.69			CURRENT
	877.45			53.79			YEAR-TO-DATE

U.S.A.	MISC.				
					CURRENT
					YEAR-TO-DATE

NAME Key DATE _____

WORKSHEET #4

ANSWER EACH QUESTION; WRITING YOUR ANSWER ON THE LINE TO THE RIGHT. SHOW YOUR WORK.

1. Dirk has worked 1 month. He earned $103.85. What is his social security tax for this amount?

   6.37

2. Dirk has worked 9 months in 1979 at the Clean-It-Right Laundry. He earned $126.85 each month. What will be his total social security tax for the year? Show your work.

   69.99

3. Using the information from #2, fill in the sample pay statement below with Dirk's monthly salary and FICA listed in the correct spaces.

REGULAR SALARY	OVERTIME	EXTRA PAY	TOTAL SALARY	TOTAL DEDUCTIONS	NET EARNINGS
126.85			126.85		

PERIOD ENDING	SALARY	FED. W/H TAX	STATE TAX	F.I.C.A.	U.C.-D.I.	RETIREMENT (CONTRACT TAX)	
	126.85			6.37			CURRENT
	1141.65			69.99			YEAR-TO-DATE

T.D.I.	MISC.				
					CURRENT
					YEAR-TO-DATE

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NAME Key DATE _____

WORKSHEET #5

1. Look at the sample form on page 18. What is the total amount of federal withholding tax for Holly for the year? $59.20

   What is the total FICA withheld from Holly's paycheck for the year? 64.42

   Since a person has to pay social security tax on all money under $20,000, what are Holly's total wages from which her FICA tax will be deducted? $844.80

2. Look at the sample W-2 form below. Now assume that Dirk has a total federal withholding tax for the year of $78.45 and a total FICA tax withheld of $65.30. Put the total federal withholding tax in the correct block and the total FICA in the correct block in the sample form below.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER		FOR OFFICIAL USE ONLY
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE Clean-It-Right Laundry 206 Soap St. Wherever, Ks. 66666		DEPARTMENT	6 SUB-TOTAL ☐ COR-RECTION ☐ VOID ☒ 7 EMPLOYER'S FEDERAL I.D. NUMBER	
10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD $78.45	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD 65.30	14 TOTAL FICA WAGES
15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST) Dirk F. Franco		16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
		20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC.	22 NAME OF STATE
19 EMPLOYEE'S ADDRESS AND ZIP CODE		23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
WAGE and TAX STATEMENT 19 78	COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CAT. FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

FORM W-2 [E.I. 22-1832266] Department of the Treasury—Internal Revenue Service

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NAME Key DATE _____

WORKSHEET #6

Below is an empty form. Make up your own person. Fill in the W-2 form including information regrading where your person works, his social security number, his federal tax withheld, his total wages and total FICA wages, and your person's name and address.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER			FOR OFFICIAL USE ONLY
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE answers will vary		DEPARTMENT	4 SUB-TOTAL ☐ CORRECTION ☐ VOID ☒		
			7 EMPLOYER'S FEDERAL I.D. NUMBER		
10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES	
15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)		16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS	
		20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE	
19 EMPLOYEE'S ADDRESS AND ZIP CODE		23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY	
WAGE and TAX STATEMENT 19 78	COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CAT.	FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

FORM W-2 (E.I. 22-1832268) Department of the Treasury—Internal Revenue Service

Show your paper to your teacher. After your teacher has checked your paper go on to page 19 of the capsule.

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Form **1040A** Department of the Treasury - Internal Revenue Service
U.S. Individual Income Tax Return **1977**

ACTIVITY 12 KEY 15

Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both): Melanie A
Last name: Shotts
Your social security number: 003 03 0033
Present home address (Number and street, including apartment number, or rural route): 15 Shelby Lane
For Privacy Act Notice, see page 9 of Instructions.
Spouse's social security no.:
City, town or post office, State and ZIP code: Springdale Arkansas 76039
Occupation: Yours ▶ Student-Nurses Aid; Spouse's ▶

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? ✓ Yes / No
If joint return, does your spouse want $1 to go to this fund? Yes / No
Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status Check Only One Box
1 [✓] Single
2 [ ] Married filing joint return (even if only one had income)
3 [ ] Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶
4 [ ] Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of Instructions.

Exemptions Always check the "Yourself" box. Check other boxes if they apply.
5a [✓] Yourself [ ] 65 or over [ ] Blind
b [ ] Spouse [ ] 65 or over [ ] Blind
Enter number of boxes checked on 5a and b ▶ 1
c First names of your dependent children who lived with you ▶
Enter number of children listed ▶
d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶
Add numbers entered in boxes above ▶ 1
6 Total number of exemptions claimed

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	5727 00
8	Interest income (see page 4 of Instructions)	8	0
9a	Dividends ... 9b Less exclusion ... Balance ▶ (See pages 4 and 11 of Instructions)	9c	0
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	5727 00
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return) — 11a		
	IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.		
b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions) — 11b: 335 00		
c	Earned income credit (from page 2 of Instructions) — 11c		
12	Total (add lines 11a, b, and c)	12	335 00
13	Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	333
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU ▶	14	0
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order ▶	15	0

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign
Your signature: Melanie A Shotts Date: 2-7-79
Spouse's signature (if filing jointly, BOTH must sign even if only one had income)
Paid preparer's signature and identifying number (see Instructions)
Paid preparer's address (or employer's name, address, and identifying number)

BEST COPY AVAILABLE

Form **1040A** Department of the Treasury — Internal Revenue Service

U.S. Individual Income Tax Return

1977 | ACTIVITY 13 KEY 16

Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both)	Last name	Your social security number
DALLAS L.	SMITH	522 64 0001
Present home address (Number and street, including apartment number, or rural route)	For Privacy Act Notice, see page 9 of instructions.	Spouse's social security no.
302 N. TENTH ST.		
City, town or post office, State and ZIP code	Occupation	Yours ▶ clerk
VALLEY CITY, KS 00000		Spouse's ▶

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? . . . . . X Yes / No

If joint return, does your spouse want $1 to go to this fund? Yes / No

Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status — Check Only One Box

1 [X] Single
2 [ ] Married filing joint return (even if only one had income)
3 [ ] Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶ . . . . . .
4 [ ] Unmarried Head of Household. Enter qualifying name ▶ . . . . . See page 6 of instructions.

Exemptions — Always check the "Yourself" box. Check other boxes if they apply.

5a [X] Yourself [ ] 65 or over [ ] Blind
b [ ] Spouse [ ] 65 or over [ ] Blind

Enter number of boxes checked on 5a and b ▶ 1

c First names of your dependent children who lived with you ▶ . . . . . Enter number of children listed ▶

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

6 Total number of exemptions claimed . . . . . Add numbers entered in boxes above ▶ 1

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of instructions)	7	10345 00
8	Interest income (see page 4 of instructions)	8	0
9a	Dividends . . . . . 9b Less exclusion . . . . . Balance ▶ (See pages 4 and 11 of instructions)	9c	0
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	10345 00
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	0

IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.

b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of instructions)	11b	1293 00
c	Earned income credit (from page 2 of instructions)	11c	0
12	Total (add lines 11a, b, and c)	12	1293 00
13	Tax on the amount on line 10. (See instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	1293 00
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU . . . . . ▶	14	0
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order . . ▶	15	0

Please Attach Check or Money Order Here

Please Sign

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▷ Dallas L. Smith 1-10-78
Your signature Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see instructions)

▷ Paid preparer's address (or employer's name, address, and identifying number)

Announcing Something Special
Post-test

Name Key Date _____

Circle the letter of the correct answer in the questions below.

1. Which of the following is not a purpose for which taxes are collected?

   (a.) providing free medical care to all consumers
   b. paying for public education
   c. paying for national defense
   d. building and maintaining highways

2. The purpose of the Federal Insurance Contributions Act (FICA) tax is to

   a. pay the cost of national defense.
   b. provide money for importing oil.
   c. pay insurance premiums on government-owned buildings.
   (d.) pay social security benefits.

3. Which of the following information is needed in order to complete a W-4 Employees Withholding Allowance Certificate?

   (a.) name, address, marital status
   b. social security number, yearly income
   c. name, address, occupation
   d. occupation, social security number, marital status

4. If social security tax is figured at 6.13%, how much would be deducted from wages of $746.39 ?

   a. $45.75
   b. $4.58
   (c.) $45.76
   d. $457.63

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5. Use the W-2 statement below to complete a 1040A tax return for Bob Johnson. Bob is single. He works as an auto mechanic. He has no dependents. His only income for the year was what he earned at his job. Use this information and the tax table on the next page to complete a 1040A tax return.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY
00000		SAMPLE	

3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE	DEPARTMENT	4 SUB TOTAL	CORRECTION	VOID	7 EMPLOYER'S FEDERAL I.D. NUMBER
Friendly Dan's Auto Shop 211 Carburator Ave. Lincoln, Neb 00003				X	0000

9 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
000-00-0000	1346	0	637.40	10,349

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS.	18 FICA TIPS
Bob K. Johnson	No	No INCLUDED IN BOX 12	No

19 EMPLOYEE'S ADDRESS AND ZIP CODE	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
211 Fern St. Lincoln, Neb. 00004	0	0	Neb
	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
	0	0	Lincoln

WAGE and TAX STATEMENT 1979 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CAP	FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION
	0	0	0	0

FORM W-2 [R.I. 22-1802268] Department of the Treasury—Internal Revenue Service

Earned

1040A

Department of the Treasury Internal Revenue Service

U.S. Individual Income Tax Return

1979

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Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both)	Last name	Your social security number
Bob K.	Johnson	000 00 0000
Present home address (number and street, including apartment number, or rural route)	For Privacy Act Notice, see page 9 of instructions.	Spouse's social security no.
211 Fern St.		
City, town or post office, State and ZIP code	Occupation	
Lincoln, Neb. 00003	Yours ▶ auto mechanic	
	Spouse's ▶	

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? . . . . . Yes — No X

If joint return, does your spouse want $1 to go to this fund? Yes — No

Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status — Check Only One Box

1 [X] Single

2 [ ] Married filing joint return (even if only one had income)

3 [ ] Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶ . . . . . .

4 [ ] Unmarried Head of Household. Enter qualifying name ▶ . . . . . See page 6 of instructions.

Exemptions — Always check the "Yourself" box. Check other boxes if they apply.

5a	[X] Yourself	[ ] 65 or over	[ ] Blind	Enter number of boxes checked on 5a and b ▶ 1
b	[ ] Spouse	[ ] 65 or over	[ ] Blind	

c First names of your dependent children who lived with you ▶ . . . . . Enter number of children listed ▶

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

6 Total number of exemptions claimed . . . . . Add numbers entered in boxes above ▶ 1

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of instructions)	7	10,349 00
8	Interest income (see page 4 of instructions)	8	0
9a	Dividends . . . . . 9b Less exclusion . . . . . Balance ▶ (See pages 4 and 11 of instructions)	9c	0
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	10,349 00
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	0

IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.

b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of instructions)	11b	1346 00
c	Earned income credit (from page 2 of instructions)	11c	—
12	Total (add lines 11a, b, and c)	12	1346 00
13	Tax on the amount on line 10. (See instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	1245 00
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU . . . . . ▶	14	101 00
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order . . ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign

▷ Bob Johnson 4-15-80
Your signature Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see instructions)

▷ Paid preparer's address (or employer's name, address, and identifying number)

QUEST

Quest activities are designed to take students beyond the scope of the capsule. Students should not attempt Quest activities until they have taken the post-test. Those students who show a real interest in learning more about Federal income tax should certainly be encouraged to do one or more Quest activities.

Earning Money

Name _____

Pre-test 2

How many cents?

1.

_____ ¢

How many cents?

2.

_____ ¢

How many cents?

3.

_____ ¢

How many cents?

4.

_____ ¢

Put an X on the correct coins.

5. 12¢

6. 18¢

Quest Activities:

1. If this packet has intrigued you, you might like to work on some more complex, but common, tax situations. For example, assume that you have a wife and you file a joint return. Make up a sample W-2 and fill out a 1040A as a married couple filing a joint return.
2. Assume you are married and have two children and are filing a joint return. Once again make up your W-2 information and fill out a practice 1040A.
3. If you have more that $3200 in itemized deductions, you can do your taxes 2 different ways. If this interests you, get your copy of "Understanding Taxes '78", review the material on itemized deductions, and see what you can do.
4. Visit a CPA or public accounting firm and see what a career as an accountant would be like. You might want to ask questions concerning his yearly income, the time he spends on preparing tax forms, and what is necessary to prepare for a career as an accountant.

BIBLIOGRAPHY

"Understanding Taxes '78"-Publication 19 (you can get this booklet from I.R.S. free. Contact your Post Office to find mailing address of closest I.R.S. facility).

"Now You See It, Now You Don't"-film-

Order from: Barr Films
Consumer Education-6 films Audio-films series
P.O. Box 5667
Pasadean, California 91107

Phone: 213-793-6153

APPENDIX

This appendix contains copies of all worksheets and assessments. These copies may be used to make your own classroom quantity copies. To use, unstaple the sides of the teacher's guide and remove the worksheet and assessment pages. Restaple the remaining pages of the teacher's guide.

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Form **W-4**
(Rev. May 1977)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

(Use for Wages Paid After May 31, 1977)

This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Type or print your full name

Your social security number

Home address (number and street or rural route)

City or town, State, and ZIP code

Marital Status

☐ Single ☐ Married

☐ Married, but withhold at higher Single rate

Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming . . . . . .

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $

3 I claim exemption from withholding (see instructions). Enter "Exempt" . . . . . .

Under the penalties of perjury, I certify that the number of withholding exemptions and allowances claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I incurred no liability for Federal income tax for last year and that I anticipate that I will incur no liability for Federal income tax for this year.

Signature ▶ _____ Date ▶ _____, 19____

Announcing Something Special
Pre-test

Name _____ Date _____

Teacher _____ Grade _____

Circle the letter of the correct answer in the questions below.

1. Which of the following is not a purpose for which taxes are collected?

   a. paying for national defense
   b. providing assistance to foreign countries
   c. maintaining religious institutions
   d. providing services to us as consumers

2. The Federal Insurance Contributions Act (FICA) results in a tax that is deducted from your pay check. The tax is used to:

   a. pay for the cost of collecting and administering federal tax programs.
   b. pay social security benefits.
   c. make sure that you pay all of the federal taxes you owe.
   d. pay your employer for the costs involved in withholding taxes from your pay check.

3. A W-4 form:

   a. indicates the amount of tax you must pay.
   b. tells your employer how much money to withhold from your paycheck.
   c. indicates how much tax you have paid during the past year.
   d. is used to indicate the total wages you have earned during a one year period.

4. What information is not needed in order to complete a W-4 form?

   a. name
   b. address
   c. marital status
   d. total wages earned during the year

5. If social security tax is figured at 6.13%, how much would be deducted from wages of $286.38?

   a. $175.38
   b. $17.56
   c. $1.75
   d. $6.13

6. If the social security tax is figured at 6.13%, how much would be deducted from wages of $195?

   a. $119.53
   b. $119.54
   c. $1.95
   d. $11.96

7. Use the W-2 statement below to complete a 1040A tax return for Carol Smith. Carol is single. She works as a multilith operator. She has no dependents. Her only income for the year was what she earned at her job. Use this information and the tax table on the next page to complete a 1040A tax return.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY
00000		Sample	

3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE	DEPARTMENT	4 SUB-TOTAL	CORRECTION	VOID	
Dimensions Printing Co. 4003 State Ave. Berkely, MI		☐	☐	X	
		7 EMPLOYER'S FEDERAL I.D. NUMBER: 000			

10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
000-00-0000	740	7480	458	7480

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
Carol L. Smith	no	no	none

19 EMPLOYEE'S ADDRESS AND ZIP CODE	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC.	22 NAME OF STATE
Route 3, Box 475 Peavine, RI 00032	none	none	RI
	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
	none	none	Peavine
WAGE and TAX STATEMENT 1978 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CAT. FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION
			none

FORM W-2 [E.I. 22-1632268] Department of the Treasury—Internal Revenue Service

1979 Tax Table A

Single (Filing Status Box 1)

(For single persons with income of $20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions)

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 6. The amount shown where the two lines meet is your tax. Enter on Form 1040A, line 14a.

The $2,300 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: *If you can be claimed as a dependent on your parent's return* AND *you have unearned income (interest, dividends, etc.) of $1,000 or more* AND *your earned income is less than $2,300, you must use Form 1040.*

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
If $3,300 or less your tax is 0				
3,300	3,350	4	0	0
3,350	3,400	11	0	0
3,400	3,450	18	0	0
3,450	3,500	25	0	0
3,500	3,550	32	0	0
3,550	3,600	39	0	0
3,600	3,650	46	0	0
3,650	3,700	53	0	0
3,700	3,750	60	0	0
3,750	3,800	67	0	0
3,800	3,850	74	0	0
3,850	3,900	81	0	0
3,900	3,950	88	0	0
3,950	4,000	95	0	0
4,000	4,050	102	0	0
4,050	4,100	109	0	0
4,100	4,150	116	0	0
4,150	4,200	123	0	0
4,200	4,250	130	0	0
4,250	4,300	137	0	0
4,300	4,350	144	4	0
4,350	4,400	151	11	0
4,400	4,450	158	18	0
4,450	4,500	166	25	0
4,500	4,550	174	32	0
4,550	4,600	182	39	0
4,600	4,650	190	46	0
4,650	4,700	198	53	0
4,700	4,750	206	60	0
4,750	4,800	214	67	0
4,800	4,850	222	74	0
4,850	4,900	230	81	0
4,900	4,950	238	88	0
4,950	5,000	246	95	0
5,000	5,050	254	102	0
5,050	5,100	262	109	0
5,100	5,150	270	116	0
5,150	5,200	278	123	0
5,200	5,250	286	130	0
5,250	5,300	294	137	0
5,300	5,350	302	144	4
5,350	5,400	310	151	11
5,400	5,450	319	158	18
5,450	5,500	328	166	25
5,500	5,550	337	174	32
5,550	5,600	346	182	39
5,600	5,650	355	190	46
5,650	5,700	364	198	53
5,700	5,750	373	206	60
5,750	5,800	382	214	67
5,800	5,850	391	222	74
5,850	5,900	400	230	81

Continued next column

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
5,900	5,950	409	238	88
5,950	6,000	418	246	95
6,000	6,050	427	254	102
6,050	6,100	436	262	109
6,100	6,150	445	270	116
6,150	6,200	454	278	123
6,200	6,250	463	286	130
6,250	6,300	472	294	137
6,300	6,350	481	302	144
6,350	6,400	490	310	151
6,400	6,450	499	319	158
6,450	6,500	508	328	166
6,500	6,550	517	337	174
6,550	6,600	526	346	182
6,600	6,650	535	355	190
6,650	6,700	544	364	198
6,700	6,750	553	373	206
6,750	6,800	562	382	214
6,800	6,850	571	391	222
6,850	6,900	580	400	230
6,900	6,950	589	409	238
6,950	7,000	598	418	246
7,000	7,050	607	427	254
7,050	7,100	616	436	262
7,100	7,150	625	445	270
7,150	7,200	634	454	278
7,200	7,250	643	463	286
7,250	7,300	652	472	294
7,300	7,350	661	481	302
7,350	7,400	670	490	310
7,400	7,450	679	499	319
7,450	7,500	688	508	328
7,500	7,550	697	517	337
7,550	7,600	706	526	346
7,600	7,650	716	535	355
7,650	7,700	725	544	364
7,700	7,750	735	553	373
7,750	7,800	744	562	382
7,800	7,850	754	571	391
7,850	7,900	763	580	400
7,900	7,950	773	589	409
7,950	8,000	782	598	418
8,000	8,050	792	607	427
8,050	8,100	801	616	436
8,100	8,150	811	625	445
8,150	8,200	820	634	454
8,200	8,250	830	643	463
8,250	8,300	839	652	472
8,300	8,350	849	661	481
8,350	8,400	858	670	490
8,400	8,450	868	679	499
8,450	8,500	877	688	508

Continued next column

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
8,500	8,550	887	697	517
8,550	8,600	896	706	526
8,600	8,650	906	716	535
8,650	8,700	915	725	544
8,700	8,750	925	735	553
8,750	8,800	934	744	562
8,800	8,850	944	754	571
8,850	8,900	953	763	580
8,900	8,950	963	773	589
8,950	9,000	972	782	598
9,000	9,050	982	792	607
9,050	9,100	991	801	616
9,100	9,150	1,001	811	625
9,150	9,200	1,010	820	634
9,200	9,250	1,020	830	643
9,250	9,300	1,029	839	652
9,300	9,350	1,039	849	661
9,350	9,400	1,048	858	670
9,400	9,450	1,058	868	679
9,450	9,500	1,067	877	688
9,500	9,550	1,077	887	697
9,550	9,600	1,088	896	706
9,600	9,650	1,098	906	716
9,650	9,700	1,109	915	725
9,700	9,750	1,119	925	735
9,750	9,800	1,130	934	744
9,800	9,850	1,140	944	754
9,850	9,900	1,151	953	763
9,900	9,950	1,161	963	773
9,950	10,000	1,172	972	782
10,000	10,050	1,182	982	792
10,050	10,100	1,193	991	801
10,100	10,150	1,203	1,001	811
10,150	10,200	1,214	1,010	820
10,200	10,250	1,224	1,020	830
10,250	10,300	1,235	1,029	839
10,300	10,350	1,245	1,039	849
10,350	10,400	1,256	1,048	858
10,400	10,450	1,266	1,058	868
10,450	10,500	1,277	1,067	877
10,500	10,550	1,287	1,077	887
10,550	10,600	1,298	1,088	896
10,600	10,650	1,308	1,098	906
10,650	10,700	1,319	1,109	915
10,700	10,750	1,329	1,119	925
10,750	10,800	1,340	1,130	934
10,800	10,850	1,350	1,140	944
10,850	10,900	1,361	1,151	953
10,900	10,950	1,371	1,161	963
10,950	11,000	1,382	1,172	972
11,000	11,050	1,392	1,182	982
11,050	11,100	1,403	1,193	991

Continued on next page

BEST COPY AVAILABLE

Form **1040A** Department of the Treasury Internal Revenue Service
U.S. Individual Income Tax Return **1977**

Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both) | Last name | Your social security number

Present home address (Number and street, including apartment number, or rural route) | For Privacy Act Notice, see page 9 of Instructions. | Spouse's social security no.

City, town or post office, State and ZIP code | Occupation: Yours ▶ Spouse's ▶

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? . . . . . Yes No
If joint return, does your spouse want $1 to go to this fund? Yes No
Note: *Checking "Yes" will not increase your tax or reduce your refund.*

Filing Status Check Only One Box

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶
4 ☐ Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of Instructions.

Exemptions Always check the "Yourself" box. Check other boxes if they apply.

5a ☐ Yourself ☐ 65 or over ☐ Blind
b ☐ Spouse ☐ 65 or over ☐ Blind
Enter number of boxes checked on 5a and b ▶
c First names of your dependent children who lived with you ▶
Enter number of children listed ▶

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶
6 Total number of exemptions claimed . . . . . Add numbers entered in boxes above ▶

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	
8	Interest income (see page 4 of Instructions)	8	
9a	Dividends . . . . . 9b Less exclusion . . . . . Balance ▶ (See pages 4 and 11 of Instructions)	9c	
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	

IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.

b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions)	11b	
c	Earned income credit (from page 2 of Instructions)	11c	
12	Total (add lines 11a, b, and c)	12	
13	Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU . . . . . ▶	14	
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order . . ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign

▷ Your signature Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see Instructions)

▷ Paid preparer's address (or employer's name, address, and identifying number)

Announcing Something Special
Post-test

Name _____ Date _____

Circle the letter of the correct answer in the questions below.

1. Which of the following is not a purpose for which taxes are collected?

   a. providing free medical care to all consumers
   b. paying for public education
   c. paying for national defense
   d. building and maintaining highways

2. The purpose of the Federal Insurance Contributions Act (FICA) tax is to

   a. pay the cost of national defense.
   b. provide money for importing oil.
   c. pay insurance premiums on government-owned buildings.
   d. pay social security benefits.

3. Which of the following information is needed in order to complete a W-4 Employees Withholding Allowance Certificate?

   a. name, address, marital status
   b. social security number, yearly income
   c. name, address occupation
   d. occupation, social security number, marital status

4. If social security tax is figured at 6.13%, how much would be deducted from wages of $746.39 ?

   a. $45.75
   b. $4.58
   c. $45.76
   d. $457.63

5. Use the W-2 statement below to complete a 1040A tax return for Bob Johnson. Bob is single. He works as an auto mechanic. He has no dependents. His only income for the year was what he earned at his job. Use this information and the tax table on the next page to complete a 1040A tax return.

1 COMPANY CODE: 00000		2 EMPLOYER'S STATE I.D. NUMBER: SAMPLE	FOR OFFICIAL USE ONLY		
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE: Friendly Dan's Auto Shop, 211 Carburator Ave., Lincoln, Neb 00003	DEPARTMENT	4 SUB-TOTAL ☐ CORRECTION ☐ VOID ☒	7 EMPLOYER'S FEDERAL I.D. NUMBER: 0000		
10 EMPLOYEE'S SOCIAL SECURITY NUMBER: 000-00-000d	11 FEDERAL INCOME TAX WITHHELD: 1346	12 WAGES, TIPS, OTHER COMPENSATION: 0	13 FICA TAX WITHHELD: 637.40	14 TOTAL FICA WAGES: 10,349	
15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST): Bob K. Johnson		16 PENSION PLAN? YES NO: No	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12: No	18 FICA TIPS: No	
211 N. Fern St. Lincoln, Neb. 00004		20 STATE INCOME TAX WITHHELD: 0	21 STATE WAGES, TIPS, ETC: 0	22 NAME OF STATE: Neb	
19 EMPLOYEE'S ADDRESS AND ZIP CODE		23 LOCAL INCOME TAX WITHHELD: 0	24 LOCAL WAGES, TIPS, ETC: 0	25 NAME OF LOCALITY: Lincoln	
WAGE and TAX STATEMENT 1979 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN		0 CNP 0 FILE NUMBER 0	26 STATE FORM NO. 0	27 OTHER COMPENSATION: 0	

FORM W-2 [E.I. 22-1832208] Department of the Treasury—Internal Revenue Service

1979 Tax Table A

Single (Filing Status Box 1)

(For single persons with income of $20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions)

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 6. The amount shown where the two lines meet is your tax. Enter on Form 1040A, line 14a.

The $2,300 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: *If you can be claimed as a dependent on your parent's return* AND *you have unearned income (interest, dividends, etc.) of $1,000 or more* AND *your earned income is less than $2,300, you must use Form 1040.*

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
If $3,300 or less your tax is 0				
3,300	3,350	4	0	0
3,350	3,400	11	0	0
3,400	3,450	18	0	0
3,450	3,500	25	0	0
3,500	3,550	32	0	0
3,550	3,600	39	0	0
3,600	3,650	46	0	0
3,650	3,700	53	0	0
3,700	3,750	60	0	0
3,750	3,800	67	0	0
3,800	3,850	74	0	0
3,850	3,900	81	0	0
3,900	3,950	88	0	0
3,950	4,000	95	0	0
4,000	4,050	102	0	0
4,050	4,100	109	0	0
4,100	4,150	116	0	0
4,150	4,200	123	0	0
4,200	4,250	130	0	0
4,250	4,300	137	0	0
4,300	4,350	144	4	0
4,350	4,400	151	11	0
4,400	4,450	158	18	0
4,450	4,500	166	25	0
4,500	4,550	174	32	0
4,550	4,600	182	39	0
4,600	4,650	190	46	0
4,650	4,700	198	53	0
4,700	4,750	206	60	0
4,750	4,800	214	67	0
4,800	4,850	222	74	0
4,850	4,900	230	81	0
4,900	4,950	238	88	0
4,950	5,000	246	95	0
5,000	5,050	254	102	0
5,050	5,100	262	109	0
5,100	5,150	270	116	0
5,150	5,200	278	123	0
5,200	5,250	286	130	0
5,250	5,300	294	137	0
5,300	5,350	302	144	4
5,350	5,400	310	151	11
5,400	5,450	319	158	18
5,450	5,500	328	166	25
5,500	5,550	337	174	32
5,550	5,600	346	182	39
5,600	5,650	355	190	46
5,650	5,700	364	198	53
5,700	5,750	373	206	60
5,750	5,800	382	214	67
5,800	5,850	391	222	74
5,850	5,900	400	230	81

Continued next column

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
5,900	5,950	409	238	88
5,950	6,000	418	246	95
6,000	6,050	427	254	102
6,050	6,100	436	262	109
6,100	6,150	445	270	116
6,150	6,200	454	278	123
6,200	6,250	463	286	130
6,250	6,300	472	294	137
6,300	6,350	481	302	144
6,350	6,400	490	310	151
6,400	6,450	499	319	158
6,450	6,500	508	328	166
6,500	6,550	517	337	174
6,550	6,600	526	346	182
6,600	6,650	535	355	190
6,650	6,700	544	364	198
6,700	6,750	553	373	206
6,750	6,800	562	382	214
6,800	6,850	571	391	222
6,850	6,900	580	400	230
6,900	6,950	589	409	238
6,950	7,000	598	418	246
7,000	7,050	607	427	254
7,050	7,100	616	436	262
7,100	7,150	625	445	270
7,150	7,200	634	454	278
7,200	7,250	643	463	286
7,250	7,300	652	472	294
7,300	7,350	661	481	302
7,350	7,400	670	490	310
7,400	7,450	679	499	319
7,450	7,500	688	508	328
7,500	7,550	697	517	337
7,550	7,600	706	526	346
7,600	7,650	716	535	355
7,650	7,700	725	544	364
7,700	7,750	735	553	373
7,750	7,800	744	562	382
7,800	7,850	754	571	391
7,850	7,900	763	580	400
7,900	7,950	773	589	409
7,950	8,000	782	598	418
8,000	8,050	792	607	427
8,050	8,100	801	616	436
8,100	8,150	811	625	445
8,150	8,200	820	634	454
8,200	8,250	830	643	463
8,250	8,300	839	652	472
8,300	8,350	849	661	481
8,350	8,400	858	670	490
8,400	8,450	868	679	499
8,450	8,500	877	688	508

Continued next column

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
8,500	8,550	887	697	517
8,550	8,600	896	706	526
8,600	8,650	906	716	535
8,650	8,700	915	725	544
8,700	8,750	925	735	553
8,750	8,800	934	744	562
8,800	8,850	944	754	571
8,850	8,900	953	763	580
8,900	8,950	963	773	589
8,950	9,000	972	782	598
9,000	9,050	982	792	607
9,050	9,100	991	801	616
9,100	9,150	1,001	811	625
9,150	9,200	1,010	820	634
9,200	9,250	1,020	830	643
9,250	9,300	1,029	839	652
9,300	9,350	1,039	849	661
9,350	9,400	1,048	858	670
9,400	9,450	1,058	868	679
9,450	9,500	1,067	877	688
9,500	9,550	1,077	887	697
9,550	9,600	1,088	896	706
9,600	9,650	1,098	906	716
9,650	9,700	1,109	915	725
9,700	9,750	1,119	925	735
9,750	9,800	1,130	934	744
9,800	9,850	1,140	944	754
9,850	9,900	1,151	953	763
9,900	9,950	1,161	963	773
9,950	10,000	1,172	972	782
10,000	10,050	1,182	982	792
10,050	10,100	1,193	991	801
10,100	10,150	1,203	1,001	811
10,150	10,200	1,214	1,010	820
10,200	10,250	1,224	1,020	830
10,250	10,300	1,235	1,029	839
10,300	10,350	1,245	1,039	849
10,350	10,400	1,256	1,048	858
10,400	10,450	1,266	1,058	868
10,450	10,500	1,277	1,067	877
10,500	10,550	1,287	1,077	887
10,550	10,600	1,298	1,088	896
10,600	10,650	1,308	1,098	906
10,650	10,700	1,319	1,109	915
10,700	10,750	1,329	1,119	925
10,750	10,800	1,340	1,130	934
10,800	10,850	1,350	1,140	944
10,850	10,900	1,361	1,151	953
10,900	10,950	1,371	1,161	963
10,950	11,000	1,382	1,172	972
11,000	11,050	1,392	1,182	982
11,050	11,100	1,403	1,193	991

Continued on next page

1979 Tax Table A/Single (Filing Status Box 1)—Continued

If Form 1040A, line 11, is—		And the total number of exemptions claimed on line 6 is—		
Over	But not over	1	2	3
		Your tax is—		
11,100	11,150	1,413	1,203	1,001
11,150	11,200	1,424	1,214	1,010
11,200	11,250	1,434	1,224	1,020
11,250	11,300	1,445	1,235	1,029
11,300	11,350	1,455	1,245	1,039
11,350	11,400	1,466	1,256	1,048
11,400	11,450	1,476	1,266	1,058
11,450	11,500	1,487	1,277	1,067
11,500	11,550	1,497	1,287	1,077
11,550	11,600	1,508	1,298	1,088
11,600	11,650	1,518	1,308	1,098
11,650	11,700	1,529	1,319	1,109
11,700	11,750	1,539	1,329	1,119
11,750	11,800	1,550	1,340	1,130
11,800	11,850	1,561	1,350	1,140
11,850	11,900	1,573	1,361	1,151
11,900	11,950	1,585	1,371	1,161
11,950	12,000	1,597	1,382	1,172
12,000	12,050	1,609	1,392	1,182
12,050	12,100	1,621	1,403	1,193
12,100	12,150	1,633	1,413	1,203
12,150	12,200	1,645	1,424	1,214
12,200	12,250	1,657	1,434	1,224
12,250	12,300	1,669	1,445	1,235
12,300	12,350	1,681	1,455	1,245
12,350	12,400	1,693	1,466	1,256
12,400	12,450	1,705	1,476	1,266
12,450	12,500	1,717	1,487	1,277
12,500	12,550	1,729	1,497	1,287
12,550	12,600	1,741	1,508	1,298
12,600	12,650	1,753	1,518	1,308
12,650	12,700	1,765	1,529	1,319
12,700	12,750	1,777	1,539	1,329
12,750	12,800	1,789	1,550	1,340
12,800	12,850	1,801	1,561	1,350
12,850	12,900	1,813	1,573	1,361
12,900	12,950	1,825	1,585	1,371
12,950	13,000	1,837	1,597	1,382
13,000	13,050	1,849	1,609	1,392
13,050	13,100	1,861	1,621	1,403
13,100	13,150	1,873	1,633	1,413
13,150	13,200	1,885	1,645	1,424
13,200	13,250	1,897	1,657	1,434
13,250	13,300	1,909	1,669	1,445
13,300	13,350	1,921	1,681	1,455
13,350	13,400	1,933	1,693	1,466
13,400	13,450	1,945	1,705	1,476
13,450	13,500	1,957	1,717	1,487
13,500	13,550	1,969	1,729	1,497
13,550	13,600	1,981	1,741	1,508
13,600	13,650	1,993	1,753	1,518
13,650	13,700	2,005	1,765	1,529
13,700	13,750	2,017	1,777	1,539
13,750	13,800	2,029	1,789	1,550
13,800	13,850	2,041	1,801	1,561
13,850	13,900	2,053	1,813	1,573
13,900	13,950	2,066	1,825	1,585
13,950	14,000	2,079	1,837	1,597
14,000	14,050	2,092	1,849	1,609
14,050	14,100	2,105	1,861	1,621
14,100	14,150	2,118	1,873	1,633
14,150	14,200	2,131	1,885	1,645
14,200	14,250	2,144	1,897	1,657
14,250	14,300	2,157	1,909	1,669
14,300	14,350	2,170	1,921	1,681
14,350	14,400	2,183	1,933	1,693
14,400	14,450	2,196	1,945	1,705
14,450	14,500	2,209	1,957	1,717
14,500	14,550	2,222	1,969	1,729
14,550	14,600	2,235	1,981	1,741
14,600	14,650	2,248	1,993	1,753
14,650	14,700	2,261	2,005	1,765
14,700	14,750	2,274	2,017	1,777
14,750	14,800	2,287	2,029	1,789
14,800	14,850	2,300	2,041	1,801
14,850	14,900	2,313	2,053	1,813
14,900	14,950	2,326	2,066	1,825
14,950	15,000	2,339	2,079	1,837
15,000	15,050	2,352	2,092	1,849
15,050	15,100	2,365	2,105	1,861
15,100	15,150	2,378	2,118	1,873
15,150	15,200	2,391	2,131	1,885
15,200	15,250	2,404	2,144	1,897
15,250	15,300	2,417	2,157	1,909
15,300	15,350	2,430	2,170	1,921
15,350	15,400	2,443	2,183	1,933
15,400	15,450	2,456	2,196	1,945
15,450	15,500	2,469	2,209	1,957
15,500	15,550	2,482	2,222	1,969
15,550	15,600	2,495	2,235	1,981
15,600	15,650	2,508	2,248	1,993
15,650	15,700	2,521	2,261	2,005
15,700	15,750	2,534	2,274	2,017
15,750	15,800	2,547	2,287	2,029
15,800	15,850	2,560	2,300	2,041
15,850	15,900	2,573	2,313	2,053
15,900	15,950	2,586	2,326	2,066
15,950	16,000	2,599	2,339	2,079
16,000	16,050	2,613	2,352	2,092
16,050	16,100	2,628	2,365	2,105
16,100	16,150	2,643	2,378	2,118
16,150	16,200	2,658	2,391	2,131
16,200	16,250	2,673	2,404	2,144
16,250	16,300	2,688	2,417	2,157
16,300	16,350	2,703	2,430	2,170
16,350	16,400	2,718	2,443	2,183
16,400	16,450	2,733	2,456	2,196
16,450	16,500	2,748	2,469	2,209
16,500	16,550	2,763	2,482	2,222
16,550	16,600	2,778	2,495	2,235
16,600	16,650	2,793	2,508	2,248
16,650	16,700	2,808	2,521	2,261
16,700	16,750	2,823	2,534	2,274
16,750	16,800	2,838	2,547	2,287
16,800	16,850	2,853	2,560	2,300
16,850	16,900	2,868	2,573	2,313
16,900	16,950	2,883	2,586	2,326
16,950	17,000	2,898	2,599	2,339
17,000	17,050	2,913	2,613	2,352
17,050	17,100	2,928	2,628	2,365
17,100	17,150	2,943	2,643	2,378
17,150	17,200	2,958	2,658	2,391
17,200	17,250	2,973	2,673	2,404
17,250	17,300	2,988	2,688	2,417
17,300	17,350	3,003	2,703	2,430
17,350	17,400	3,018	2,718	2,443
17,400	17,450	3,033	2,733	2,456
17,450	17,500	3,048	2,748	2,469
17,500	17,550	3,063	2,763	2,482
17,550	17,600	3,078	2,778	2,495
17,600	17,650	3,093	2,793	2,508
17,650	17,700	3,108	2,808	2,521
17,700	17,750	3,123	2,823	2,534
17,750	17,800	3,138	2,838	2,547
17,800	17,850	3,153	2,853	2,560
17,850	17,900	3,168	2,868	2,573
17,900	17,950	3,183	2,883	2,586
17,950	18,000	3,198	2,898	2,599
18,000	18,050	3,213	2,913	2,613
18,050	18,100	3,228	2,928	2,628
18,100	18,150	3,243	2,943	2,643
18,150	18,200	3,258	2,958	2,658
18,200	18,250	3,273	2,973	2,673
18,250	18,300	3,288	2,988	2,688
18,300	18,350	3,303	3,003	2,703
18,350	18,400	3,318	3,018	2,718
18,400	18,450	3,333	3,033	2,733
18,450	18,500	3,348	3,048	2,748
18,500	18,550	3,363	3,063	2,763
18,550	18,600	3,378	3,078	2,778
18,600	18,650	3,393	3,093	2,793
18,650	18,700	3,408	3,108	2,808
18,700	18,750	3,423	3,123	2,823
18,750	18,800	3,438	3,138	2,838
18,800	18,850	3,453	3,153	2,853
18,850	18,900	3,468	3,168	2,868
18,900	18,950	3,483	3,183	2,883
18,950	19,000	3,498	3,198	2,898
19,000	19,050	3,513	3,213	2,913
19,050	19,100	3,528	3,228	2,928
19,100	19,150	3,543	3,243	2,943
19,150	19,200	3,558	3,258	2,958
19,200	19,250	3,574	3,273	2,97
19,250	19,300	3,591	3,288	2,98
19,300	19,350	3,608	3,303	3,00
19,350	19,400	3,625	3,318	3,01
19,400	19,450	3,642	3,333	3,03
19,450	19,500	3,659	3,348	3,04
19,500	19,550	3,676	3,363	3,06
19,550	19,600	3,693	3,378	3,07
19,600	19,650	3,710	3,393	3,09
19,650	19,700	3,727	3,408	3,10
19,700	19,750	3,744	3,423	3,12
19,750	19,800	3,761	3,438	3,13
19,800	19,850	3,778	3,453	3,15
19,850	19,900	3,795	3,468	3,16
19,900	19,950	3,812	3,483	3,18
19,950	20,000	3,829	3,498	3,19

Continued next column

Continued next column

Form **1040A** Department of the Treasury Internal Revenue Service — **U.S. Individual Income Tax Return** — **1979**

Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both) | Last name | Your social security number

Present home address (Number and street, including apartment number, or rural route) | For Privacy Act Notice, see page 9 of Instructions. | Spouse's social security no.

City, town or post office, State and ZIP code | Occupation: Yours ▶ Spouse's ▶

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? Yes / No — If joint return, does your spouse want $1 to go to this fund? Yes / No — Note: *Checking "Yes" will not increase your tax or reduce your refund.*

Filing Status — Check Only One Box

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶
4 ☐ Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of Instructions.

Exemptions — Always check the "Yourself" box. Check other boxes if they apply.

5a ☐ Yourself ☐ 65 or over ☐ Blind
b ☐ Spouse ☐ 65 or over ☐ Blind
Enter number of boxes checked on 5a and b ▶

c First names of your dependent children who lived with you ▶ — Enter number of children listed ▶

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

6 Total number of exemptions claimed — Add numbers entered in boxes above ▶

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	
8	Interest income (see page 4 of Instructions)	8	
9a	Dividends ____ 9b Less exclusion ____ Balance ▶ (See pages 4 and 11 of Instructions)	9c	
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	

IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.

b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions)	11b	
c	Earned income credit (from page 2 of Instructions)	11c	
12	Total (add lines 11a, b, and c)	12	
13	Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU ▶	14	
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign

▷ Your signature — Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see instructions)

▷ Paid preparer's address (or employer's name, address, and identifying number)

RECORD SHEET

Record Pre and Post-test scores below.

PRE-TEST	POST-TEST

Put the date in the box beside the activity when completed. Space is provided for comments.

SECTION ONE

Activity #1		
Activity #2		
Activity #3		
Activity #4		
Activity #5		
* Activity #6		
Activity #7		

* to be completed by student if Activity #5 is incorrect

SECTION TWO

Activity #8		
Activity #9		

SECTION THREE

Activity #10		
Activity #11		
Activity #12		
* Activity #13		

* to be completed by student if Activity #12 was incorrect

QUEST

Quest 1		
Quest 2		
Quest 3		
Quest 4		

BEST COPY AVAILABLE

Form **1040A** Department of the Treasury Internal Revenue Service
U.S. Individual Income Tax Return **1977**

Use IRS label. Otherwise, print or type.

First name and initial (if joint return, give first names and initials of both) | Last name | Your social security number

Present home address (Number and street, including apartment number, or rural route) | For Privacy Act Notice, see page 9 of instructions. | Spouse's social security no.

City, town or post office, State and ZIP code | Occupation: Yours ▶ Spouse's ▶

Presidential Election Campaign Fund ▷ Do you want $1 to go to this fund? Yes No
If joint return, does your spouse want $1 to go to this fund? Yes No
Note: *Checking "Yes" will not increase your tax or reduce your refund.*

Filing Status Check Only One Box

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶
4 ☐ Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of instructions.

Exemptions Always check the "Yourself" box. Check other boxes if they apply.

5a ☐ Yourself ☐ 65 or over ☐ Blind
b ☐ Spouse ☐ 65 or over ☐ Blind
Enter number of boxes checked on 5a and b ▶

c First names of your dependent children who lived with you ▶
Enter number of children listed ▶

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

6 Total number of exemptions claimed . . . . . Add numbers entered in boxes above ▶

Please Attach Copy B of Forms W-2 Here

7	Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	
8	Interest income (see page 4 of Instructions)	8	
9a	Dividends ... 9b Less exclusion ... Balance ▶ (See pages 4 and 11 of Instructions)	9c	
10	Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	
11a	Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	

IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.

b	Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions)	11b	
c	Earned income credit (from page 2 of Instructions)	11c	
12	Total (add lines 11a, b, and c)	12	
13	Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	
14	If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU ▶	14	
15	If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign

▷ Your signature Date

▷ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▷ Paid preparer's signature and identifying number (see instructions)

▷ Paid preparer's address (or employer's name, address, and identifying number)

Instructions

The explanatory material below will help you determine your correct number of withholding allowances, and will assist you in completing the Form W-4 at the top of this page.

Avoid Overwithholding or Underwithholding

By claiming the number of withholding allowances you are entitled to, you can fit the amount of tax withheld from your wages to your tax liability. In addition to the allowances for personal exemptions to be claimed in item (a), be sure to claim any additional allowances you are entitled to in item (b), "Special withholding allowance," and item (c), "Allowance(s) for credit(s) and/or deduction(s)." While you may claim these allowances on Form W-4 for withholding purposes, you may not claim them under "Exemptions" on your tax return Form 1040 or Form 1040A.

You may claim the special withholding allowance if you are single with only one employer, or married with only one employer and your spouse is not employed. If you have unusually large itemized deductions, an alimony deduction, or credit(s) for child care expenses, earned income, or credit for the elderly, you may claim additional allowances to avoid having too much income tax withheld from your wages. Please note that alimony is no longer an itemized deduction, but rather is an adjustment to gross income. It may be to your benefit to take the standard deduction in lieu of itemizing deductions because of this change.

If you and your spouse are both employed or you have more than one employer, you should make sure that enough has been withheld. If you find that you need more withholding, claim fewer exemptions or ask for additional withholding or request to be withheld at the higher "Single" status. If you are currently claiming additional withholding allowances based on itemized deductions, check the worksheet on the back to see that you are claiming the proper number of allowances.

How Many Withholding Allowances May You Claim?

Use the schedule below to determine the number of allowances you may claim for tax withholding purposes. In determining the number, keep in mind these points: if you are single and hold more than one job, you may not claim the same allowances with more than one employer at the same time; or, if you are married and both you and your spouse are employed, you may not both claim the same allowances with your employers at the same time. A nonresident alien, other than a resident of Canada, Mexico, or Puerto Rico, may claim only one personal allowance.

WORKSHEET #1

BEST COPY AVAILABLE

Name _____ Date _____

Figure Your Total Withholding Allowances Below

(a) Allowance(s) for exemption(s)—Enter 1 for each personal exemption you can claim on your Federal income tax return*	
(b) Special withholding allowance—Enter 1 if single with 1 employer, or married with 1 employer and spouse not employed**	
(c) Allowance(s) for credit(s) and/or deduction(s)—Enter number from line (k) on other side**	
(d) Total (add lines (a) through (c) above)—Enter here and on line 1, Form W-4, above	

*If you are in doubt as to whom you may claim as a dependent, see the instructions that came with your last Federal income tax return or call your local Internal Revenue Service office.

**This allowance is used solely for purposes of figuring your withholding tax, and cannot be claimed when you file your tax return.

Form **W-4**
(Rev. May 1977)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

(Use for Wages Paid After May 31, 1977)

This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Type or print your full name

Your social security number 000-00-0000

Home address (number and street or rural route)

City or town, State, and ZIP code

Marital Status

☑ Single ☐ Married

☐ Married, but withhold at higher Single rate

Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming	
2 Additional amount, if any, you want deducted from each pay (if your employer agrees)	$
3 I claim exemption from withholding (see instructions). Enter "Exempt"	

Under the penalties of perjury, I certify that the number of withholding exemptions and allowances claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I incurred no liability for Federal income tax for last year and that I anticipate that I will incur no liability for Federal income tax for this year.

Signature ▶ _____ Date ▶ _____, 19__

NAME _____ DATE _____

WORKSHEET #2

USE THE TAX TABLES ON PAGE 11 OF THE CAPSULE TO COMPLETE THIS WORKSHEET.

(*Pretend that Dirk makes $235 a month)

1. If he claims one exemption, how much will be deducted from his monthly check?

_____

2. How much will be deducted if he claims no exemptions?

_____

3. If Dirk claims two exemptions how much will be deducted from each month's paycheck?

_____

4. Dirk has worked at Clean-It-Right Laundry for six months. Figure his yearly withholdings tax based on the six months he worked.

CLUE: 6 (for six months) X monthly deductions = tax withheld

_____

NAME _____ DATE _____

WORKSHEET #3

1. After reading page 14 in the capsule, write 2 or 3 sentences telling how to figure a person's social security tax.

_____

_____

_____

2. Assume Dirk earns $54.00 before taxes in his first pay period. Figure his social security tax for this $54.00. Be sure to show your work.

answer: _____

3. Assume Dirk earns $125.35 for his first month's work. Figure this month's social security on this amount. Now assume that Dirk made this same amount ($125.35) each month for the seven months he worked at Clean-It-Right Laundry in 1978. Figure what his total social security tax for the year would be; Dirk has worked on no other jobs in 1978.

This month's social security: _____

Total social security tax: _____

4. Using the information in #3, fill in the sample pay statement below with Dirk's monthly salary and FICA listed in the correct spaces.

REGULAR SALARY	OVERTIME	EXTRA PAY	TOTAL SALARY	TOTAL DEDUCTIONS	NET EARNINGS

PERIOD ENDING	SALARY	FED. W/H TAX	STATE TAX	F.I.C.A.	S.C.-S.S.	RETIREMENT (CONTRACT TB)	
							CURRENT
							YEAR-TO-DATE

T.S.A.	MISC.				
					CURRENT
					YEAR-TO-DATE

NAME _____ DATE _____

WORKSHEET #4

ANSWER EACH QUESTION; WRITING YOUR ANSWER ON THE LINE TO THE RIGHT. SHOW YOUR WORK.

1. Dirk has worked 1 month. He earned $103.85. What is his social security tax for this amount?

_____

2. Dirk has worked 9 months in 1979 at the Clean-It-Right Laundry. He earned $126.85 each month. What will be his total social security tax for the year? Show your work.

_____

3. Using the information from #2, fill in the sample pay statement below with Dirk's monthly salary and FICA listed in the correct spaces.

REGULAR SALARY	OVERTIME	EXTRA PAY	TOTAL SALARY	TOTAL DEDUCTIONS	NET EARNINGS

PERIOD ENDING	SALARY	FED. W/H TAX	STATE TAX	F.I.C.A.	S.C.-S.S.	RETIREMENT (CONTRACT TB.)	
							CURRENT
							YEAR-TO-DATE

T.S.A.	MISC.				
					CURRENT
					YEAR-TO-DATE

NAME _____ DATE _____

WORKSHEET #5

1. Look at the sample form on page 16. What is the total amount of federal withholding tax for Holly for the year? _____

   What is the total FICA withheld from Holly's paycheck for the year?

   _____

   Since a person has to pay social security tax on all money under $20,000, what are Holly's total wages from which her FICA tax will be deducted?

   _____

2. Look at the sample W-2 form below. Now assume that Dirk has a total federal withholding tax for the year of $78.45 and a total FICA tax withheld of $65.30. Put the total federal withholding tax in the correct block and the total FICA in the correct block in the sample form below.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER		FOR OFFICIAL USE ONLY
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE Clean-It-Right Laundry 206 Soap St. Wherever, Ks. 66666		DEPARTMENT	4 SUB-TOTAL ☐ CORRECTION ☐ VOID ☒ 7 EMPLOYER'S FEDERAL I.D. NUMBER	
10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST) Dirk F. Franco		16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
		20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
19 EMPLOYEE'S ADDRESS AND ZIP CODE		23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
WAGE and TAX STATEMENT 19 78 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN		CNO FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

FORM W-2 [E.I. 22-1832268] Department of the Treasury—Internal Revenue Service

NAME _____ DATE _____

WORKSHEET #6

Below is an empty form. Make up your own person. Fill in the W-2 form including information regrading where your person works, his social security number, his federal tax withheld, his total wages and total FICA wages, and your person's name and address.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY	
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE	DEPARTMENT	4 SUB-TOTAL ☐ CORRECTION ☐ VOID ☒		
		7 EMPLOYER'S FEDERAL I.D. NUMBER		
10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)		16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
		20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
19 EMPLOYEE'S ADDRESS AND ZIP CODE		23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
WAGE and TAX STATEMENT 19 78 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN		CAP FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

FORM W-2 (E.I. 22-183226B) Department of the Treasury—Internal Revenue Service

Show your paper to your teacher. After your teacher has checked your paper go on to page 19 of the capsule.

Something Special

HOW TO SAVE YOURSELF

$$$$$$$$$

Learn how to prepare your own tax return in this simple step-by-step method.

Just turn the page!

Written by

Claudia Minton

for

Project COST
ESEA Title IV
Kansas State Dept. of Education
USD 449
Easton, KS 66020

You are about to begin a new adventure. Your companion for this adventure is Dirk Franco. As you two go on your adventure you will be learning many things. You will be using a capsule to help you learn. This learning capsule contains lots of information. It is very important that you read the information carefully. As you proceed through the capsule you will find activities that give you an opportunity to practice what you have been learning. Some activities are required. You must do those. But there are some places in the capsule where you may choose which activities you want to do.

Before you begin reading you will need to get a copy of the pre-test from your teacher. RELAX. The pre-test is just a way of letting you and your teacher find out what you already know about the information in this capsule. After you complete the capsule you will take a post-test to see how much you have learned. READY TO BEGIN?

Get your pre-test from your teacher. Complete the questions on this pre-test. When you finish, give your paper to your teacher so that it can be scored.

PRE-TEST TIME

In the next few pages you are going to learn how to save yourself some money. A lot of people go into nervous shock when they think about turning in their tax return each April. This fear probably comes from horror stories handed down to them from other people. Your basic 1040 form is very easy, really. All it involves is knowing your own name, your own social security number, and being able to read your W-2 form and the tax tables. If you go to someone to have your taxes prepared, it will probably cost you $30 or more. When you finish this capsule you will have a choice. You can decide which is more important to you--the $30 you will pay or the 20 minutes it takes to fill out your 1040 A form. No matter what you decide to do there is an opportunity cost involved. An opportunity cost is the thing you give up in order to do something else. If you fill out your own tax form you give up the time, that is the opportunity cost of filling out your own form. You save $30. If you pay someone to fill out your 1040A form, you save time. You give up the opportunity to spend that $30 on something you really wanted.

The thing is that you have a choice. If you do not know how to fill out the form, you have no choice. You must depend on someone else to complete your form.

So let's read about Dirk and his beginning tax adventure.

Then you and Dirk will be able to:

* 1. identify purposes of taxes
* 2. determine the information needed to complete a W-4 form
* 3. identify the purpose of social security tax
* 4. calculate the social security tax of a given salary
* 5. use the information available from a W-2 form and tax tables to complete a 1040 A form

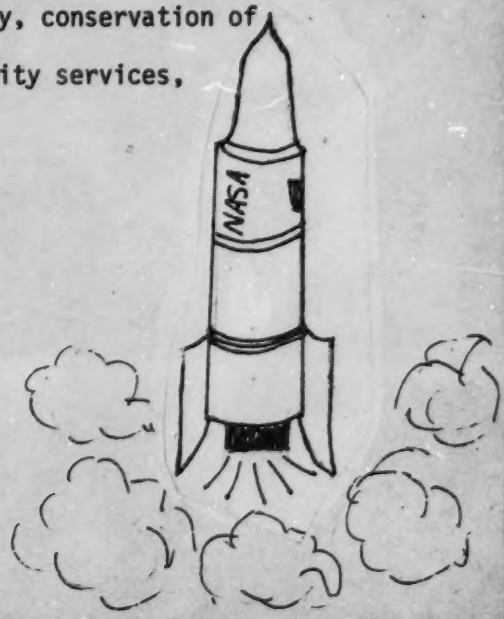
SECTION ONE

Our tale starts with Dirk Franco. Dirk is a junior, 16 years old and hungry for money. He has just taken his first job at the Clean-It-Right Laundry and he has a lot to learn. On Dirk's first day at work he receives a W-4 form to fill out. His employer tells him that a W-4 form helps the laundry know how much money that should take out of each paycheck for income tax. As he fills out his form, he begins thinking about taxes. Thinking very negative thoughts. Why do I have to pay tax? Why does anyone have to pay taxes? Why do we have taxes? Ah! The heart of the matter. Let's look at the history of taxes and the reasons we have them.

Keep on truckin. . . . this is really going to pay off!!!

Income tax as we know it today is collected on a pay-as-you-go basis. This system began during WWII. Before this time each tax payer was billed for his/her amount of tax at the end of the tax year. By the end of the year the money was usually spent when it was time to pay, so no taxes got paid. This couldn't continue, especially in war times, so our tax collecting procedure was changed to a month-to-month collection. Taxes were collected before one received his money, so Uncle Sam got his money.

We still might ask, though, why do we pay taxes now? Our taxes pay for many things. A person may not agree with all the ways our money is spent but he still must pay. Our taxes pay for national defense including our armed services, international affairs or foreign aid, general science and space technology, conservation of natural resources, enviromental services, community services, and educational aid.



So, taxes are deducted from your paycheck before you receive it. Therefore, you need to be prepared to understand how this is done. Let's see what Dirk found out when he took his first job.

****

As we learned earlier, Dirk now has a job with Clean-It-Right Laundry. Dirk's new boss has given Dirk what he says is a W-4 form. "W-4", thinks Dirk, "Is that some kind of draft deferment?" After reading this you might laugh to yourself, but, really, do you know what a W-4 is and why you need to know what it is? Let's find out!

A W-4 is among the first of many forms you will complete in your adult life. It is used to let your employer know how many exemptions you wish to allow for in your paycheck. An exemption is an amount of your income that is not taxed.

To determine your W-4 exemptions first allow one exemption for yourself. If you are single and have only one employer, you claim one extra special withholding allowance. That means that you can claim 2 exemptions. However, you do not have to claim any exemptions.

If you decide to claim zero exemptions which you are free to do, you will have more money subtracted from each paycheck. This means, moreover, that at the end of the year when you file your tax, you will have a larger refund coming back to you than you may have had, had you taken your normal one or two exemptions.

Taking fewer allowances does not mean that you pay less tax. What you have actually done is said to the Federal government, "I know that my taxes will probably be less than this allowance at the end of the year. I want you to keep the extra money until after April 15. After I file my tax return you may return the extra money to me."

One last point to be noted here is that if you earned less than $3200 last year and did not file, or if this is your first job and you know you will not be earning $3200 for the year, you may enter "Exempt" on your W-4 form in answer to blank #3 of the form. This means that no withholding tax will deducted from your paycheck and you do not have to file a 1040 A tax form.

ACTIVITIES:

Complete one of these activities. When you finish, turn your paper in to your teacher. Mark your record sheet.

1. Go to the library and check out a filmstrip/cassette viewer. Now watch the filmstrip, "Now You See It, Now You Don't". When you finish, use a sheet of notebook paper to list three deductions from your paycheck. Write one or two sentences explaining each one.

2. Listen to the tape, "Exemptions". Calculate how many exemptions you are allowed. List the number of your exemptions on a sheet of notebook paper. Tell in a short paragraph how you arrived at your number.

3. Read "Understanding Taxes '78" pages 8 & 9. When you are finished, figure out how many exemptions you are allowed. List the number of your exemptions on a sheet of paper. Tell how you arrived at your number in a short paragraph.

LET'S DO MORE. . .

Complete Activities 4 & 5

When you finish, turn your papers in to your teacher.
Mark your record sheet.

4. Get worksheet #1 from your teacher. Read the information explaining W-4 allowable exemptions. Complete the W-4 form at the bottom for yourself.

THEN

5. Dirk is working for the laundry. He's single and this is his only job. How many exemptions is Dirk entitled to? Get a sample W-4 form from your teacher. Fill in a sample form for Dirk.

OOPS!. . .

6. If you did Activity 5 incorrectly, read the information at the top of Worksheet #1. Then fill out another form for Dirk.

Form **W-4**
(Rev. May 1977)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate
(Use for Wages Paid After May 31, 1977)

This certificate is for income tax withholding purposes only. It will remain in effect until you change it. If you claim exemption from withholding, you will have to file a new certificate on or before April 30 of next year.

Type or print your full name

Your social security number

Home address (number and street or rural route)

City or town, State, and ZIP code

Marital Status

☐ Single ☐ Married
☐ Married, but withhold at higher Single rate
Note: *If married, but legally separated, or spouse is a nonresident alien, check the single block.*

1 Total number of allowances you are claiming . . . . . .
2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $
3 I claim exemption from withholding (see instructions). Enter "Exempt" . . . . . .

Under the penalties of perjury, I certify that the number of withholding exemptions and allowances claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I incurred no liability for Federal income tax for last year and that I anticipate that I will incur no liability for Federal income tax for this year.

Signature ▶ _____ Date ▶ _____, 19__

LET'S LEARN MORE. . .

Complete Activity 7

7. Turn to the Tax Table on page 12. Pretend that Dirk made $187 this pay period. Look down the first column to $184. This level says, "If the wages are at least $184 (but less than $188)." You see that according to the first column of exemptions, Dirk owed $10.90. According to the third column, claiming two exemptions he owes $2.10 Use this table to help you complete the activities on Worksheet #2.

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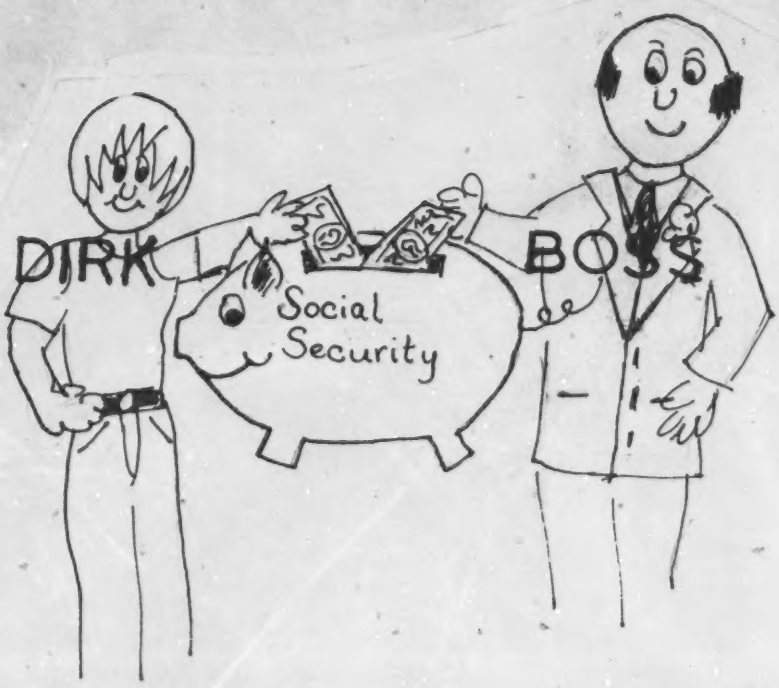
SINGLE Persons — MONTHLY Payroll Period

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of income tax to be withheld shall be—										
$0	$48	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
48	52	60	0	0	0	0	0	0	0	0	0	0
52	56	1 10	0	0	0	0	0	0	0	0	0	0
56	60	1 70	0	0	0	0	0	0	0	0	0	0
60	64	2 30	0	0	0	0	0	0	0	0	0	0
64	68	2 80	0	0	0	0	0	0	0	0	0	0
68	72	3 40	0	0	0	0	0	0	0	0	0	0
72	76	3 90	0	0	0	0	0	0	0	0	0	0
76	80	4 50	0	0	0	0	0	0	0	0	0	0
80	84	5 10	0	0	0	0	0	0	0	0	0	0
84	88	5 60	0	0	0	0	0	0	0	0	0	0
88	92	6 20	0	0	0	0	0	0	0	0	0	0
92	96	6 70	0	0	0	0	0	0	0	0	0	0
96	100	7 30	0	0	0	0	0	0	0	0	0	0
100	104	7 80	0	0	0	0	0	0	0	0	0	0
104	108	8 40	0	0	0	0	0	0	0	0	0	0
108	112	9 00	20	0	0	0	0	0	0	0	0	0
112	116	9 50	80	0	0	0	0	0	0	0	0	0
116	120	10 10	1 40	0	0	0	0	0	0	0	0	0
120	124	10 70	1 90	0	0	0	0	0	0	0	0	0
124	128	11 20	2 50	0	0	0	0	0	0	0	0	0
128	132	11 80	3 00	0	0	0	0	0	0	0	0	0
132	136	12 30	3 60	0	0	0	0	0	0	0	0	0
136	140	12 90	4 20	0	0	0	0	0	0	0	0	0
140	144	13 50	4 70	0	0	0	0	0	0	0	0	0
144	148	14 00	5 30	0	0	0	0	0	0	0	0	0
148	152	14 60	5 80	0	0	0	0	0	0	0	0	0
152	156	15 30	6 40	0	0	0	0	0	0	0	0	0
156	160	16 00	7 00	0	0	0	0	0	0	0	0	0
160	164	16 70	7 50	0	0	0	0	0	0	0	0	0
164	168	17 50	8 10	0	0	0	0	0	0	0	0	0
168	172	18 20	8 60	0	0	0	0	0	0	0	0	0
172	176	18 90	9 20	40	0	0	0	0	0	0	0	0
176	180	19 60	9 80	1 00	0	0	0	0	0	0	0	0
180	184	20 30	10 30	1 60	0	0	0	0	0	0	0	0
184	188	21 10	10 90	2 10	0	0	0	0	0	0	0	0
188	192	21 80	11 40	2 70	0	0	0	0	0	0	0	0
192	196	22 50	12 00	3 20	0	0	0	0	0	0	0	0
196	200	23 80	12 60	3 80	0	0	0	0	0	0	0	0
200	204	23 90	13 10	4 40	0	0	0	0	0	0	0	0
204	208	24 70	13 70	4 90	0	0	0	0	0	0	0	0
208	212	25 40	14 20	5 50	0	0	0	0	0	0	0	0
212	216	26 10	14 90	6 00	0	0	0	0	0	0	0	0
216	220	26 80	15 60	6 60	0	0	0	0	0	0	0	0
220	224	27 50	16 30	7 20	0	0	0	0	0	0	0	0
224	228	28 30	17 00	7 70	0	0	0	0	0	0	0	0
228	232	29 00	17 70	8 30	0	0	0	0	0	0	0	0
232	236	29 70	18 50	8 80	10	0	0	0	0	0	0	0
236	240	30 40	19 20	9 40	70	0	0	0	0	0	0	0
240	248	31 50	20 30	10 20	1 50	0	0	0	0	0	0	0
248	256	32 90	21 70	11 40	2 60	0	0	0	0	0	0	0
256	264	34 40	23 10	12 50	3 70	0	0	0	0	0	0	0
264	272	35 80	24 60	13 60	4 90	0	0	0	0	0	0	0
272	280	37 30	26 00	14 80	6 00	0	0	0	0	0	0	0
280	288	38 70	27 50	16 20	7 10	0	0	0	0	0	0	0
288	296	40 10	28 90	17 60	8 20	0	0	0	0	0	0	0
296	304	41 60	30 30	19 10	9 30	60	0	0	0	0	0	0
304	312	43 00	31 80	20 50	10 50	1 70	0	0	0	0	0	0
312	320	44 50	33 20	22 00	11 60	2 80	0	0	0	0	0	0
320	328	46 10	34 70	23 40	12 70	3 90	0	0	0	0	0	0
328	336	47 80	36 10	24 80	13 80	5 10	0	0	0	0	0	0
336	344	49 50	37 50	26 30	15 00	6 20	0	0	0	0	0	0
344	352	51 20	39 00	27 70	16 50	7 30	0	0	0	0	0	0
352	360	52 80	40 40	29 20	17 90	8 40	0	0	0	0	0	0
360	368	54 50	41 90	30 60	19 40	9 50	80	0	0	0	0	0

Section Two

SOCIAL SECURITY TAX OR FICA TAX

You have learned about a W-4 and income tax withholding in the first section of the capsule. Now we are going to discuss another deduction from your paycheck. This deduction is your FICA tax. FICA stands for Federal Insurance Contributions Act or in other words, Social Security tax. This is money you will collect monthly from the government when you reach age 65. With your first job, you begin paying your FICA tax. The employer matches the amount that you pay each pay period with his own funds.



SOCIAL SECURITY TAX OR FICA

After you finish this section you should be able to:

* 1. identify the purpose of social security tax

* 2. calculate the Social Security tax of several sample salaries.

FICA tax is figured at 6.13% of each paycheck. In other words, if you made $40 this pay period, your employer would multiply $40 by 6.13% or ($40 x .0613) and you would have $2.45 deducted from your $40. Your employer would also put $2.45 of his own money into the Social Security or F.I.C.A. fund with the 2.45 taken from your paycheck. So each pay period $4.90 would be placed in the Social Security fund in your name. If you worked 10 weeks for $40 a week in 1978, the total FICA deducted from your checks for the year would be $24.50 or (10 weeks x 2.45 per week for the year = $24.50)

An example of monthly pay information is listed below.

PERIOD ENDING	SALARY	FED. W/H TAX	STATE TAX	F.I.C.A.	B.C.-B.S.	RETIREMENT (CONTRACT YR.)	
	40.00			2.45			CURRENT
	400.00			24.50			YEAR-TO-DATE

ACTIVITIES:

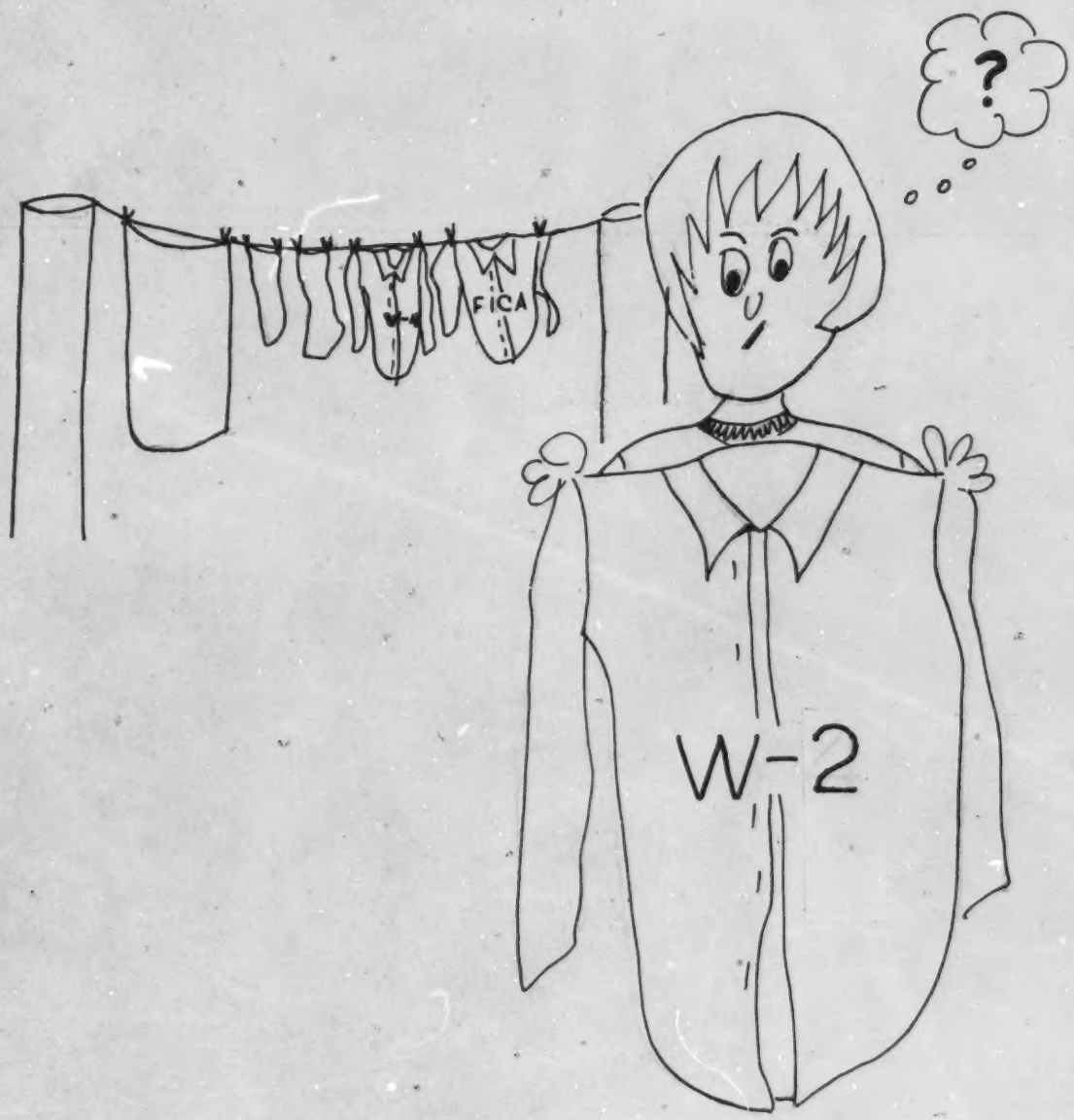
8. Read page 15 of this capsule. Use the information to complete the activities on Worksheet #3.

Turn your paper in to your teacher when you finish. Mark your record sheet.

OOPS!!!

9. If you missed any of the questions on Worksheet #3, complete Worksheet #4. Turn your paper in to your teacher. Mark your record sheet.

SECTION THREE



After you complete this section you will be able to:

* 1. Complete a sample W-2 form for yourself

* 2. Complete the 1040 A form using your W-2 form

W-2 and Your 1040 A Form

In the last two sections you have learned about two deductions taken from your paycheck each pay period. At the end of the year you will receive a W-2 statement which gives you a total of money earned at a particular job, the total FICA collected for the year from your pay checks, and the total amount of income tax withheld from your paycheck this year. Below is an example of a W-2 form. Sometimes your employer may give you this with your last paycheck if you quit your job before the year is ended in December, buy usually you will get a W-2 sometimes in January of each year telling your deductions for the previous year. In other words, in January of 1979, you will receive your W-2 for the year 1978. Note: Each employer has a federal ID#. This number is listed on this W-2 above the name of the company.

Holly Flowers works at Good Dress Co. Here is a copy of her W-2. Notice the information that is included.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY

3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE	DEPARTMENT	4 SUB-TOTAL	CORRECTION	VOID
61-486281--EMPLOYER ID NO. Good Dress Company 286 Fifth Avenue Owango, N.Y. 13500				X
		5 EMPLOYER'S FEDERAL I.D. NUMBER		

10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
039-16-2612	$59.20	$844.80	$64.42	$844.80

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS.	18 FICA TIPS
		INCLUDED IN BOX 12	

	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
Holly H. Flowers 1111 Summit Street Owango, N.Y. 13500	NO		
	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
19 EMPLOYEE'S ADDRESS AND ZIP CODE			

WAGE and TAX STATEMENT 1978 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CRF	FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

FORM W-2 [F.I. 22-1832268] Department of the Treasury—Internal Revenue Service

ACTIVITIES:

10. Complete Worksheet #5. Turn this in when you finish. Mark your record sheet.

11. Complete Worksheet #6. Give this to your teacher. Mark your record sheet.

Now that you have completed these activities you are ready to begin filling out a 1040 A income tax form.

On page 20 you will find information that tells you step-by-step what you need to do. As you read through this page, use the completed form on page 22 to help you see what has been done in each step.

In filling out a 1040 A form you need your W-2 form and your social security number. Here are the steps in filling it out. Follow the example 1040 A on page 22.

1. Fill in your name and address.
2. Fill in your social security number.
3. Put in your job--include also your title as a student if you are still a student.
4. Decide if you want to contribute one dollar of your tax to the presidential campaign.
5. If you are single, check the box for a single person. If you are single but supporting someone else check head of household box.
6. Exemptions: (A) Check the exemption box that applies to you. If you are single, check the "yourself" box. At the far left put the number of exemptions you are entitled to in the box. (B) Look down at number 6 on the 1040 A form. Add your exemptions from the other boxes. If you checked the single box in 5a, you will only have one to enter in number 6.
7. From the W-2 form find the total wages you earned in 1978. Enter that amount in box 7.
8. Fill in the amount of interest you earned last year. For most of this would be interest earned on a savings account.
9. Ignore box 9a.
10. Add the amount in boxes 7, 8, and 9. You will probably have only the amount from box number 7.

TURN THE PAGE FOR MORE INFO!!!!

11. Ignore number 11a unless you contributed to someone's election campaign. In 11b look at your W-2 to see how much tax was withheld from your paycheck last year.

12. Put amount from 11b or W/H tax withheld in Box 12.

13. Turn to the tax table on page 21. Pretend you have earned $4032. Look down column one until you find $4000. One side of the column says 'over/the' other side says 'but not over'. When you find $4000 you see the over $4000 but not over $4050 person owes $122 in tax for 1978. The $4032 that Dirk earned is over $4000 but not over $4050. So Dirk owes $122.

14. Subtract #13 from #12. In box 14 put your total amount of money refunded to you.

15. If box 12 had been smaller than box 13 you would owe more tax than what you had already paid in.

16. Sign your name and the date.

THEN YOU ARE FINISHED!!!

Form **1040A** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1977**

Use IRS label. Otherwise, print or type.	First name and initial (if joint return, give first names and initials of both): Dirk F.	Last name: Franco	(2) Your social security number: 000 00 0000
	Present home address (Number and street, including apartment number, or rural route): 24 Rose	For Privacy Act Notice, see page 9 of Instructions.	Spouse's social security no.
	City, town or post office, State and ZIP code: Easton, Kansas 66020	(3) Your occupation ▶ student clerk	Spouse's ▶

(4) **Presidential Election Campaign Fund** ▶ Do you want $1 to go to this fund? ✓ Yes ___ No. If joint return, does your spouse want $1 to go to this fund? ___ Yes ___ No. Note: Checking "Yes" will not increase your tax or reduce your refund.

(5) **Filing Status** (Filing Status) Check Only One Box

1 ✓ Single 2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separately. If spouse is also filing, give spouse's social security number in the space above and enter full name here ▶

4 ☐ Unmarried Head of Household. Enter qualifying name ▶ . See page 6 of Instructions.

(6) **Exemptions** (Exemptions) Always check the "Yourself" box. Check other boxes if they apply.

5a ✓ Yourself ☐ 65 or over ☐ Blind

b ☐ Spouse ☐ 65 or over ☐ Blind

Enter number of boxes checked on 5a and b ▶ 1

c First names of your dependent children who lived with you ▶

Enter number of children listed ▶

d Other dependents: (1) Name	(2) Relationship	(3) Number of months lived in your home.	(4) Did dependent have income of $750 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of other dependents ▶

Add numbers entered in boxes above ▶ 1

(7) 6 Total number of exemptions claimed

Please Attach Copy B of Forms W-2 Here

(8)	7 Wages, salaries, tips, and other employee compensation. (Attach Forms W-2. If unavailable, see page 11 of Instructions)	7	4032 00
(9)	8 Interest income (see page 4 of Instructions)	8	0
	9a Dividends ___ 9b Less exclusion ___ Balance ▶ (See pages 4 and 11 of Instructions)	9c	
(10)	10 Adjusted gross income (add lines 7, 8, and 9c). If under $8,000, see page 2 of Instructions on "Earned Income Credit." If eligible, enter child's name ▶	10	4032 00
(11)	11a Credit for contributions to candidates for public office. Enter one-half of amount paid but do not enter more than $25 ($50 if joint return)	11a	
	IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.		
	b Total Federal income tax withheld (if line 7 is larger than $16,500, see page 12 of Instructions)	11b	350 40
	c Earned income credit (from page 2 of Instructions)	11c	
(12)	12 Total (add lines 11a, b, and c)	12	350 40
(13)	13 Tax on the amount on line 10. (See Instructions for line 13 on page 12, then find your tax in Tax Tables on pages 14–25.)	13	122 00
(14)	14 If line 12 is larger than line 13, enter amount to be REFUNDED TO YOU ▶	14	228 40
(15)	15 If line 13 is larger than line 12, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write social security number on check or money order ▶	15	

Please Attach Check or Money Order Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

(16) Please Sign

▶ Dirk F. Franco 1/28/78 (Your signature / Date)

▶ Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

▶ Paid preparer's signature and identifying number (see instructions)

▶ Paid preparer's address (or employer's name, address, and identifying number)

1977 Tax Table A—SINGLE (Box 1)

(For single persons with tax table income of $20,000 or less who claim fewer than 4 exemptions)

To find your tax: Read down the left income column until you find your income as shown on line 34 of Form 1040. Read across to the column headed by the total number of exemptions claimed on line 7 of Form 1040. The amount shown at the point where the two lines meet is your tax. Enter on Form 1040, line 35 or Form 1040A, line 13.

The $2,200 zero bracket amount, your deduction for exemptions and the general tax credit have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: *If you can be claimed as a dependent on your parent's return AND you have unearned income (interest, dividends, etc.) of $750 or more AND your earned income is less than $2,200, you must first use Schedule TC (Form 1040), Part II.*

If line 10, Form 1040A is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
If $3,200 or less your tax is 0				
3,200	3,250	4	0	0
3,250	3,300	11	0	0
3,300	3,350	18	0	0
3,350	3,400	25	0	0
3,400	3,450	32	0	0
3,450	3,500	39	0	0
3,500	3,550	46	0	0
3,550	3,600	54	0	0
3,600	3,650	61	0	0
3,650	3,700	69	0	0
3,700	3,750	76	0	0
3,750	3,800	84	0	0
3,800	3,850	91	0	0
3,850	3,900	99	0	0
3,900	3,950	106	0	0
3,950	4,000	114	0	0
4,000	4,050	122	0	0
4,050	4,100	130	0	0
4,100	4,150	138	0	0
4,150	4,200	146	0	0
4,200	4,250	154	4	0
4,250	4,300	162	11	0
4,300	4,350	170	19	0
4,350	4,400	178	26	0
4,400	4,450	188	34	0
4,450	4,500	194	41	0
4,500	4,550	203	49	0
4,550	4,600	211	56	0
4,600	4,650	220	64	0
4,650	4,700	228	71	0
4,700	4,750	236	79	0
4,750	4,800	244	87	0
4,800	4,850	251	95	0
4,850	4,900	259	103	0
4,900	4,950	266	111	0
4,950	5,000	274	119	0
5,000	5,050	283	127	0
5,050	5,100	291	135	0
5,100	5,150	300	143	0
5,150	5,200	308	151	0
5,200	5,250	317	159	6
5,250	5,300	325	168	14
5,300	5,350	334	176	21
5,350	5,400	342	185	29
5,400	5,450	351	193	36
5,450	5,500	359	202	44
5,500	5,550	368	210	52
5,550	5,600	376	219	60
5,600	5,650	385	227	69
5,650	5,700	393	236	76
5,700	5,750	402	245	84
5,750	5,800	410	254	92
5,800	5,850	419	264	100
5,850	5,900	427	273	108
5,900	5,950	436	283	116
5,950	6,000	444	292	124
6,000	6,050	453	302	133
6,050	6,100	461	311	141
6,100	6,150	470	321	150
6,150	6,200	478	330	158
6,200	6,250	487	340	167
6,250	6,300	495	349	175
6,300	6,350	504	359	184
6,350	6,400	512	368	192
6,400	6,450	521	378	201
6,450	6,500	529	387	210
6,500	6,550	538	397	219
6,550	6,600	546	406	229
6,600	6,650	555	416	238
6,650	6,700	563	425	248
6,700	6,750	572	435	257
6,750	6,800	580	444	267
6,800	6,850	589	454	276
6,850	6,900	597	463	286
6,900	6,950	606	473	295
6,950	7,000	615	482	305
7,000	7,050	624	492	314
7,050	7,100	634	501	324
7,100	7,150	643	511	333
7,150	7,200	653	520	343
7,200	7,250	662	529	352
7,250	7,300	672	538	362
7,300	7,350	681	546	371
7,350	7,400	691	555	381
7,400	7,450	700	563	390
7,450	7,500	710	572	400
7,500	7,550	719	580	409
7,550	7,600	729	589	419
7,600	7,650	738	597	428
7,650	7,700	748	606	438
7,700	7,750	757	615	447
7,750	7,800	767	624	457
7,800	7,850	776	634	466
7,850	7,900	786	643	476
7,900	7,950	795	653	485
7,950	8,000	805	662	495
8,000	8,050	814	672	504
8,050	8,100	824	681	514
8,100	8,150	833	691	523
8,150	8,200	843	700	533
8,200	8,250	852	710	542
8,250	8,300	862	719	552
8,300	8,350	871	729	561
8,350	8,400	881	738	571
8,400	8,450	890	748	580
8,450	8,500	900	757	590
8,500	8,550	909	767	601
8,550	8,600	919	776	611
8,600	8,650	928	786	622
8,650	8,700	938	795	632
8,700	8,750	947	805	643
8,750	8,800	957	814	653
8,800	8,850	966	824	664
8,850	8,900	976	833	674
8,900	8,950	985	843	685
8,950	9,000	996	852	695
9,000	9,050	1,007	862	706
9,050	9,100	1,018	871	716
9,100	9,150	1,029	881	727
9,150	9,200	1,040	890	737
9,200	9,250	1,051	900	748
9,250	9,300	1,062	909	758
9,300	9,350	1,073	919	769
9,350	9,400	1,084	928	779
9,400	9,450	1,095	938	790
9,450	9,500	1,106	947	800
9,500	9,550	1,117	957	811
9,550	9,600	1,128	966	821
9,600	9,650	1,139	976	832
9,650	9,700	1,150	985	842
9,700	9,750	1,161	996	852
9,750	9,800	1,172	1,007	862
9,800	9,850	1,183	1,018	871
9,850	9,900	1,194	1,029	881
9,900	9,950	1,205	1,040	890
9,950	10,000	1,216	1,051	900
10,000	10,050	1,227	1,062	909
10,050	10,100	1,238	1,073	919
10,100	10,150	1,249	1,084	928
10,150	10,200	1,260	1,095	938
10,200	10,250	1,271	1,106	947
10,250	10,300	1,282	1,117	957
10,300	10,350	1,293	1,128	966
10,350	10,400	1,304	1,139	976
10,400	10,450	1,315	1,150	985
10,450	10,500	1,326	1,161	996
10,500	10,550	1,337	1,172	1,007
10,550	10,600	1,348	1,183	1,018
10,600	10,650	1,359	1,194	1,029
10,650	10,700	1,370	1,205	1,040
10,700	10,750	1,381	1,216	1,051
10,750	10,800	1,392	1,227	1,062
10,800	10,850	1,403	1,238	1,073
10,850	10,900	1,414	1,249	1,084
10,900	10,950	1,425	1,260	1,095
10,950	11,000	1,436	1,271	1,106

Continued next column

Continued next column

Continued on next page

ACTIVITIES:

12. Get a sample 1040 A form from your teacher. Fill it out using the sample W-2 below. Remember that if you earn less than $3200 for the year you owe no tax.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER	FOR OFFICIAL USE ONLY
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE Rogers Memorial Hospital Rogers, Arkansas	DEPARTMENT	4 SUB-TOTAL ☐ COR-RECTION ☐ VOID ☒ 7 EMPLOYER'S FEDERAL I.D. NUMBER 61-009378	

10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
003-03-0033	$442.00	$5727.00	$335.00	$5727.00

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS.	18 FICA TIPS
Melanie Shotts		INCLUDED IN BOX 12	

19 EMPLOYEE'S ADDRESS AND ZIP CODE	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC	22 NAME OF STATE
15 Shelly Lane Springdale, AR 76039	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY

WAGE and TAX STATEMENT 1978 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	GRP	FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

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*NOTE: DO 13 ONLY IF 12 WAS INCORRECT.

13. Now let's pretend that you have a really good job and you have earned more than $9000. You are single and have only one exemption. Below is your sample W-2. Using Tax Table A on page 21 fill out a 1040 A form. Your teacher has blank forms for you to use.

1 COMPANY CODE		2 EMPLOYER'S STATE I.D. NUMBER: SAMPLE	FOR OFFICIAL USE ONLY
3 EMPLOYER'S NAME, ADDRESS AND ZIP CODE: Joe's Card Shop 211 main St. Valley City, Ks 64321	DEPARTMENT	4 SUB-TOTAL ☐ COR-RECTION ☐ VOID ☒ 7 EMPLOYER'S FEDERAL I.D. NUMBER	

10 EMPLOYEE'S SOCIAL SECURITY NUMBER	11 FEDERAL INCOME TAX WITHHELD	12 WAGES, TIPS, OTHER COMPENSATION	13 FICA TAX WITHHELD	14 TOTAL FICA WAGES
522-64-0001	$1293.00	$10,345.00	$405.18	$10,345.00

15 EMPLOYEE'S NAME (FIRST, MIDDLE, LAST)	16 PENSION PLAN? YES NO	17 GROUP TERM LIFE INS. INCLUDED IN BOX 12	18 FICA TIPS
Dallas L. Smith			

	20 STATE INCOME TAX WITHHELD	21 STATE WAGES, TIPS, ETC.	22 NAME OF STATE
	$623.00		
	23 LOCAL INCOME TAX WITHHELD	24 LOCAL WAGES, TIPS, ETC.	25 NAME OF LOCALITY
19 EMPLOYEE'S ADDRESS AND ZIP CODE			
WAGE and TAX STATEMENT 1978 COPY B TO BE FILED WITH EMPLOYEE'S FEDERAL TAX RETURN	CPD FILE NUMBER	26 STATE FORM NO.	27 OTHER COMPENSATION

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QUEST

QUEST ACTIVITIES:

IF THIS PACKET HAS INTRIGUED YOU.....

YOU MIGHT LIKE TO WORK ON.....

SOME MORE COMPLEX, BUT COMMON, TAX SITUATIONS.....

1. Assume that you have a spouse and you file a joint return. Make up a sample W-2 and fill out a 1040 A as a married couple filing a joint return.

2. Assume you are married and have two children and are filing a joint return. Once again make up your W-2 information and fill out a practice 1040 A.

3. If you have more than $3200 in itemized deductions, you can do your taxes 2 different ways. If this interests you, get your copy of "Understanding Taxes '78", review the material on itemized deductions, and see what you can do.

4. Visit a CPA or public accounting firm and see what a career as an accountant would be like. You might want to ask questions concerning his yearly income, the time he spends on preparing tax forms, and what is necessary to prepare for a career as an accountant.